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DTIC QUALITY INSPECTED 2

19980115 083

# East Europe

JPRS-EER-92-017

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12 February 1992

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**Nationalist Weekly on Bulgarian Minorities**

**In Bessarabia**

92BA0370A Sofia ZORA in Bulgarian 11 Dec 91 p 8

[Article by Gina Subotinova: "More on Our Compatriots in Bessarabia"]

[Text] The problem of the Bulgarians in Bessarabia is usually considered one-sidedly: We write and study our compatriots who live in Bessarabia, but what do we, who live in Bulgaria, know about those people, and what is our attitude toward them? To a certain extent, the answer to this and similar questions is provided by a comparative sociological study entitled "Problems of Preserving the Cultural Originality of the Bulgarian Community in the USSR," which was made by the Scientific Research Institute for Culture (Bulgaria), the Moldavian Academy of Sciences, and the Institute for Socioeconomic Problems of the Population of the USSR Academy of Sciences (Moscow). The study covers 637 persons over age 16 and surveyed about the same number, 700, who live in the Tvruditsa and Korten settlements in Bulgaria and in their twin cities, Tvruditsa and Korten, in Bessarabia.

These settlements were studied for two reasons: first, because one of the most compact groups of Bulgarian settlers came from Tvruditsa and Korten, and second, because the same names were given to the new settlements. Actually, if we look at the map drawn by N.S. Derzhavin in his book *Bulgarian Colonies in Russia*, we see that, among the 64 settlements founded by Bulgarian refugees, it is only Tvruditsa, Korten, and Troyan (Novi Troyan and Stari Troyan) that exactly duplicate the names of settlements in Bulgaria. Furthermore, the people of Tvruditsa and Korten tried to settle in the same kind of topography and build their settlements like those they left behind in the Sliven Mountains.

In the course of the discussions and interviews that took place during the sociological survey, I met with people who were very familiar with the historical facts about the migration. However, generally speaking, the larger group, which usually consisted of young people, was unfamiliar with the problem of the Bessarabian Bulgarians. The data of the sociological survey confirm this statement. However, let me describe some curious details about the traditions that were preserved by the older people as something they had learned from their ancestors.

In 1830, following the troops of General Dibich, with all their household goods loaded on carts, some 120 families took off to the empty Bessarabian lands, pursued by the Turks and lured by Catherine II's Manifesto on Settling the Land. However, their ties to Bulgaria were not severed immediately, despite the great distance. According to the old people, before the young married, they would travel across the Balkan Mountains on horseback to their own settlements (Tvruditsa or Korten) to seek the blessings of their godfathers and the latter's

permission to take new godfathers in the Bessarabian settlement. This confirms the power of the tradition and the desire to retain and preserve what was typically Bulgarian.

Gradually, these ties were broken because of the long distance and because most of the people were illiterate. It was thus that entire clans were forgotten, and it was only in 1960-70 that more durable and more extensive contacts were established and the search for and the restoration of family trees begun. This is a rather difficult and slow process, and a great many things have been forgotten. Sociological data support this view inasmuch as only 38.9 percent of the people were aware of their family trees, another 46.4 percent were only partially familiar with them, and 12.4 percent claimed total ignorance. These figures would probably experience some positive changes should contacts with the Bessarabian Bulgarians increase. Discussions with young people in Tvruditsa and Korten make it clear that they are interested in studying their family trees but firmly claim that political circumstances have presented a major obstacle. However, it would be more accurate to say that ties between generations were substantially disrupted because there were also those (usually young people) who were totally unfamiliar with the question of Bulgarians in Bessarabia. According to sociological data, their share is significant: 39.4 percent are unfamiliar with this history, and 41.2 percent are partially familiar with it; only 16.1 percent—primarily those who belong to the group of individuals over age 70—stated that they were familiar with the historical facts of the migration of the Bulgarians to Bessarabia. What happens now?

We now must answer the question of whether history textbooks should also mention these Bulgarians who, for generations, have preserved and kept their Bulgarian aspects, who have tried to survive as Bulgarians, and who have given to history names such as Aleksandur Teodorov-Balan, Dr. Ivan Seliminski, Yov Uvaliev, Georgi Ivan Tsanko Kilchik, Georgi Shopov, and others. Actually, the survey card includes two questions that make it possible for the individual surveyed to identify personalities from the history of the Bulgarian people and Russian history for whom they feel respect. Only two cards listed a Bulgarian of Bessarabian origin, Dr. Ivan Selimski. Poor knowledge of history explains aspects of mutual aid to the descendants of Bessarabian Bulgarians: Only 15.3 percent provided some material aid such as sending books, records, clothing, and so on, whereas 79.6 percent sent no aid whatsoever or showed any sympathy for or interest in the fate of those people.

Sociological data lead us to believe that the image of the community of Bulgarians in Bessarabia is still rather hazy and unclear, and it is only now that it is beginning to take real shape in the minds of the majority of the population. Its accurate development depends on us.

**In Romania**

92BA0370B Sofia *ZORA* in Bulgarian 11 Dec 91 p 8

[Article by Krasimira Naumova: "The Bulgarian Minority in Romania"]

[Text] The place and significance of the Bulgarian minority in the political life of contemporary Romania is assuming particular importance for us Bulgarians. During the period of Ceausescu totalitarianism, this minority numbered 200,000 persons. They had no rights and were threatened with total assimilation.

Yet the Bulgarians in Romania are a reality. They are the descendants of Bulgarian settlers who set foot on Romanian soil in 1738. The first settlements built by Bulgarians were in Banat. These were the villages of Besenev, Vinga, Brestia, Colonia Bulgara, and others. The descendants of the former Bulgarian settlers inhabit entire districts in the big Romanian cities such as Bucharest, Timisoara, Arad, Targoviste, Braila, Galati, and Turnu Magurele. To this day, they speak Bulgarian, although in its slightly archaic version. Still now, the Romanian capital is surrounded by settlements where the Bulgarian population predominates, such as Breteni, Matei-Voivod, Knajna, Varasti, and Ceacu.

Under the communist system, Bulgarians in Romania were not allowed to study in their native language, publish newspapers, or have their own political and cultural organizations. The Bulgarian spirit in Romania was suppressed by every available means. The national monuments of the Bulgarians in Romania were subjected to a merciless fate. Both Gheorghiu-Dej and Ceausescu permitted the destruction of Bulgarian sacred places on Romanian land: the Chapuroy Inn in Braila, where Botev lived; the Bulgarian School in Bucharest (in the 1970's it was still standing); most Bulgarian churches; and Lyuben Karavelov's printing press.

In Bulgaria, we warmly welcomed the initiatives of the National Salvation Front in December 1989, which dealt with the rights of minorities in Romania. Laws were passed for such minorities, including the Bulgarian, on the organization of their activities, giving them the opportunity to participate in the country's political life. The Bulgarian minority has its representative in the Romanian parliament. A Bulgarian cultural society was organized in Bucharest (at the beginning of 1990), with the assistance of our embassy in Romania and the Bulgarians in Banat—Prof. Georgi Ronkov (the last principal of the Bulgarian School in Bucharest—1949-56) and Luka Velchov. The cultural society has its own newspaper, BULGARSKA ZORNITSA, which comes out with two pages in the Bulgarian language and two in Romanian. (The Banat Bulgarians have also started their own newspaper, NASH GLAS.) Education, culture, and tourism are the three main areas of activity of the society, assisted by Bulgaria, the homeland.

We Bulgarians are disturbed by the fact that, in 1991, Romanian nationalists reopened the Dobrudzha front.

The weekly NATIUNEA, the organ of the Vatra Romaneasca, claims that "Romania does not lay an official claim to southern Dobrudzha, but an increasing number of voices can be heard in Bulgaria demanding possession of the entire Dobrudzha." It is insinuated that the Craiova Accord, by virtue of which Bulgaria regained sovereignty over southern Dobrudzha, had been imposed on Romania. "The Bulgarians accounted for just one-half of 1 percent more than the Turks and the Tatars. However, this gave them a territory of 6,921 square km, the weekly claimed. After a speech delivered by the end of June 1991 by Romanian Foreign Affairs Minister Adrian Nastase to the Romanian Parliament, in which he called Dobrudzha a historical Romanian land, a brief item appeared in the Bulgarian press reflecting the Bulgarian position. It also recalled the fact that the Craiova Accord of 1940, when southern Dobrudzha was peacefully reunited with the homeland, also included an error of Bulgarian foreign policy, a mistake that had grave national consequences: 70,000 Bulgarians from northern Dobrudzha were resettled in southern Bulgaria on orders, abandoning their homes and hearths forever. It is true that northern Dobrudzha, to which Bulgaria has never laid claim, indeed until 1978 made a significant contribution to the development of Bulgarian culture during the Renaissance. In the 1880's (from the 1830's to the 1880's), that area had 120 Bulgarian schools, 55 of which were in northern Dobrudzha, in the Tulcea and Constanta districts.

Unfortunately, today we are not talking enough about the problem.

**Members of Commission on Military Equipment**

92P201324 Sofia *DURZHAVEN VESTNIK*  
in Bulgarian 10 Jan 92 p 2

[Text] of decree to amend Decree on Government Commission for Regulating and Controlling Production and Sale of Military and Special Equipment, signed by Prime Minister Filip Dimitrov and Konstantin Mukhovski, chief secretary of the Council of Ministers]

[Text] Decree No. 246 of 30 December 1991 To Amend and Supplement Decree No. 115 of 1991 of the Council of Ministers for the Establishment of the Government Commission for the Regulation and Control of the System for the Production and Sale of Military and Special Equipment (DURZHAVEN VESTNIK No. 60 of 1991; amendment in DURZHAVEN VESTNIK No. 96 of 1991).

The Council of Ministers hereby decrees that:

1. A new Paragraph 2 should be added to Article 2 as follows:

"(2) The Secretariat at the Ministry of Defense provides for the technical services of the Government Commission."

2. The supplement to Article 2 is amended as follows:

"The Government Commission for the Regulation and Control of the System for the Production and Sale of Military and Special Equipment:

"Dimitur Ludzhev, minister of defense, chairman of the commission  
Khristo Stoykov, deputy minister of industry and trade  
Dimitur Kostov, deputy minister of finance

Stoyan Andreev, national security adviser to the president  
Dimitur Tanovski, deputy minister of defense  
Filip Filipov, secretary of the commission  
Valentin Dobrev, deputy minister of foreign affairs  
Ivan Kolev, department chief at the Ministry of Industry and Trade  
Rumen Manolov, secretary of the council for legal acts at the Council of Ministers  
Petko Angelov, from the Ministry of Internal Affairs  
Vladimir Stratiev, chief jurisconsult at the Ministry of Transportation"

**Hersant Group Enters Czech Journalism**

92CH0308A Paris *LE MONDE* in French 24 Jan 92  
p 15

[Article by Prague correspondent Catherine Monroy: "The Uphill Battle for Press Independence in Czechoslovakia"—first paragraph is *LE MONDE* introduction]

[Text] While the Hersant group strengthens its hand in Czechoslovakia, journalists are faced with domestic political and industrial pressures.

Czechoslovakia's top daily newspaper is *MLADA FRONTA DNES* [THE YOUNG FRONT TODAY], which has a circulation of 400,000. By acquiring 48 percent of the paper's shares, the Hersant group has given itself a solid network of newspapers in central Europe. Hersant is very active in Poland, where it is involved in seven regional dailies, and in Hungary, where it has interests in a national daily newspaper and a weekly television guide. Thus far it had maintained a low profile in Czechoslovakia, where it controlled three regional dailies in Moravia. The imbalance will be corrected by Hersant's investment in *MLADA FRONTA DNES*, and by other investments to come: Rumor has it that the group will soon be taking over another Moravian daily.

The Hersant group's subsidiary *Socpresse* beat out three competitors to win the Czechs' favor after a full year of discussions. Its rivals were the German group *WAZ*, teamed with the Austrian group *Media Print*; the Italian concerns *LA REPUBBLICA* and *Cerutti* (rotatory); and the German group *Axel Springer*, which dropped out before the race was over due to the failure of its working-class daily in Spain.

When Hersant acquired 40 percent of the shares of *MAGYAR NEMZET* [THE HUNGARIAN NATION] in September 1990, there was a show of opposition in Hungary. *MAGYAR NEMZET* has a circulation of 150,000 and is the favored daily of the Budapest intelligentsia. A preemptory decision of the minister of foreign affairs forced Hersant on the society of journalists, which wanted to team up with a Swedish group. In Prague, nothing of the sort occurred. The newspaper's editorial group ratified the choice of partner with certain precautions, says Mr. Karel Hvizdala, who is the director of the new French-Czech mixed company. "The agreement that we signed clearly stipulates that editorial responsibility remains with us; our partner will be involved only in technology and techniques."

This belief was shared by some of the *MAGYAR NEMZET* journalists last year. *Socpresse*'s representative, Mr. Henri Morny, also promised not to tamper with the editorial slant of their paper as long as it remained profitable. But nine months after the departure of certain reporters under the conscience clause, the paper's circulation has fallen to 100,000, and six editors may be let go. The Czech journalists have not forgotten this example.

For now, it is Czech political parties and not future foreign partners that pose the greatest threat. Of particular concern is the very powerful Civil Democratic Party [PDS]. It is run by Mr. Vaclav Klaus, the current federal finance minister and vice prime minister, who is actively preparing for the June 1992 elections. The party advocates ultraliberal economic policies, and polling institutes show it capturing the greatest number of votes (20 percent) in the Republic of Czechoslovakia. The Bavarian CSU [Christian Social Union] openly finances the PDS. Strangely enough, so do a certain number of state-owned companies. Taken together, this gives the PDS financial clout great enough to challenge the independence, and even the survival, of financially shaky media.

The era when Prague residents, swept by revolutionary euphoria, snapped up two to four newspapers a day is over. Papers have doubled their selling price to keep pace with the increase in the cost of paper, while the purchasing power of the Czechs has plunged by nearly 50 percent in one year.

Only two papers, *PRACE* [WORKING] and *METROPOLITAN*, can afford to take such losses. *PRACE* is able to do so because it belongs to the very wealthy ex-Communist labor union. "Although all the party's property was supposed to be returned to the state, the government, anxious to keep social peace during these economic hard times, looked the other way," comments Zdenek Porybny, the chief editor of the daily paper *RUDE PRAVO*. The *METROPOLITAN*, which is very conservative, is financed, paradoxically, by the private import-export company *Dialog*. *Dialog* earns its capital primarily from laundering the money of apparatchiks. Only *MLADA FRONTA DNES* (a middle-of-the-road, pragmatic, and critical publication) and *RUDE PRAVO* (the Communist Party's former official journal, now a critical leftist daily) have succeeded in offsetting their loss of revenues through advertising earnings. Other newspapers, like the Czechs, are living from day to day.

Press bosses became aware of their fragility when the ODS [Civil Democratic Party] launched its daily paper, the *TELEGRAF*, in January. Not only did they awake to discover the walls of Prague plastered with huge *TELEGRAF* publicity posters, but they worriedly noticed that their dailies were missing from some kiosks. "After noon," indignantly exclaims one of the press bosses, "you can't find my paper anywhere. No amount of protesting makes any difference!"

Since the decision of how many copies to stock in a kiosk is left up to poorly paid vendors, it is easy to imagine how effective a tip is, in a country where corruption is almost a national sport. Another worrisome impediment to the independence of the press is the monopoly enjoyed by the private printing house, *Ceska Typografia*, which is the only one to offer quality work. "When we want to publish 64 pages on Saturday, we are told we are only entitled to 32," complains the director of *MLADA*

FRONTA DNES. "We are totally at the mercy of the printers." Amazingly, TELEGRAF is not subject to these constraints either.

TELEGRAF is printed by the Florenc publishing house, a company that was confiscated from the Communist Party. In the opinion of MLADA FRONTA DNES's editorial staff, these problems justify seeking out foreign partners. Although Hersant's investment cannot equal the extravagant sum of \$22 million (or 132 million French francs) offered by THE FINANCIAL TIMES, the agreement does stipulate that the group will build a new printing facility and acquire shares in a new private distribution company that press editors will shortly set up.

It remains to be seen whether the French group's representatives, who had promised the Hungarians a printing facility that has yet to materialize, will honor their commitments this time around. Reasons for distrust are piling up. The Expansion group is the majority shareholder of the Eurexpansion network. It was built up of titles from Europe's economic press, including, notably, Poland's GAZETA BANKOVA and Hungary's FIGYELO in East Europe. It, too, promised the earth and the sky to the Czech economic newspaper HOSPODARSKE NOVINY, of which it acquired 45 percent of the shares in 1990. The Czech journalists hoped that the partnership would enable them to benefit from French know-how to update their templates. For the time being, however, they have had to settle for the "comings and goings of a Servan-Schreiber family member and self-important people from the group, and general statements about the press in Czechoslovakia."

#### **Impact of Free Market on Czech Literary Scene**

92CH0315A Prague RESPEKT in Czech 19 Jan 92  
p 10

[Article by Benjamin Kuras: "The Professionals—Czech Culture Under the Pressure of the Market"]

[Text] Lamentations about the purported decline of culture can be heard throughout the Czech lands. It is alleged that there are no good authors; that theaters do not know what to stage; that bona fide writers do not know what to write; and that people do not buy any books. It is said that art is being squeezed out by commerce, light literary forms, and even trash. That is a fallacy. What is happening is not a cultural decline but the demise of an artificial cultural market and the beginning of natural culture—the demise of culture that is mediocre and semiprofessional, and an imminent appearance of above-average and professionally adept authors capable of dealing with the so-called commercialization in the same way their colleagues in the West are dealing with it.

#### **Too Many Writers**

An era that lasted three generations is nearing its end; in its heyday any mediocre scribbler who would not provoke the authorities could be a writer. He became an author at the moment when his first collection of poems or stories was published; he used to earn such an income and privileges of which his colleagues in the West could not even dream. And the era of dissident literature is nearing its end as well; its underground success was often determined more by the extent of one's involvement in the dissident movement rather than by the quality of one's writing. And above all, this is the end of an era when careers in arts were honored regardless of quality. The approaching stage will respect quality regardless of career. We may realize after all that we really do not need as many writers of fiction as we have unnaturally mollycoddled—or as we have persecuted. A nation that needs writers as its national conscience or spiritual avant-garde needs to heal itself from its unwillingness to be its own conscience and its own avant-garde, and from its lethargic illusion that among its writers' duties is to inspire their nation and to be punished for it. It may heal itself by denying excessive honors to authors, and thereby liberating them from their revivalist duties and responsibilities for the whole nation, and by learning to separate their professional achievements from their human qualities. Czech culture is undergoing a natural "purge" in which the only criterion will be the authors' professional skill. People who buy their works will provide support not only for the authors but also for their publishers. Such a purge is absolutely healthy. It is no tragedy if a writer cannot support himself with his writings or if he even does not know what to write to make a living. It only means that he does not need to support himself; he is free to get another job.

#### **30,000 Words Per Month**

While undergoing this treatment, it may be useful to take a look at the way one becomes a writer in the Anglo-Saxon world, which in all probability has one of the greatest literatures—partly because it leaves its writers at the tender mercies of a ruthless market. Naturally, there are writers' associations in Britain and in the United States; their membership is open to anyone who has published two books, or whose two plays have been professionally staged, or who has to his credit at least one year of periodical articles in newspapers, magazines, or radio programs, and who is willing to pay the annual membership fee. Membership offers no other advantages than regular information about writers' markets, about the terms of contracts negotiated by the association with publishers or producers, and about the professional status vis-a-vis those who enlist writers' services. In most cases, to become a member, a writer has to spend five or 10 years writing in his spare time after a day at work (he usually has gone through quite a few jobs). In most cases, he continues to work at his other job until he is able to support himself with his writings. Poetry writing can never support anyone. Ultimately about 10 percent of those who take writing seriously make a living by writing

fiction and drama. One-half of the remaining 90 percent drop out within five years and concentrate on some other regular jobs. The other half become professional writers who realize after a while that writing does not necessarily have to be an exclusively artistic pursuit. They find markets for their craft writing nonfiction, translating, or in advertising, marketing, promotional materials, or video programs for enterprises, generally by order and according to the demands of the contractor. Precisely these craftsmen constitute at least two-thirds of the members of writers' associations. And most enterprises or advertising agencies have an unwritten gentlemen's agreement with the writers' association to hire exclusively its members. In the Czech daily's final analysis, that guarantees them craftsmanship and expertise to make a decent living. Such a writer must not only write but also sell on average 30,000 words per month (approximately 100 typewritten pages). For that he must, among other things, research and check facts, know how to process them, and correct, amend, and rewrite the text many times over. That is not an easy, inferior, or noncreative task, as many a successful author of fiction can find out once in a while: From this kind of writing he can learn craftsmanship, accuracy, specificity, and comprehensibility, and during lean times he is glad to earn some extra money. In the Czech environment for a while, this type of writing will be popular, necessary and desirable—the market cannot operate without it. A writer who now does not know what to write must have an opportunity to improve his research of data and to convey them accurately and fast, as soon as Czech enterprises realize that if they want to prosper, they need professionally and precisely written, interesting, promotional literature, advertisements, or video training courses for their employees.

### Enterprising Monks Rely on Novel Ideas

92CH0313A Prague HOSPODARSKE NOVINY  
in Czech 20 Jan 92 p 4

[Editorial report by HOSPODARSKE NOVINY commenting on an article from THE FINANCIAL TIMES: "The 'Inferno' in the Strahov Monastery"]

[Text] In late evenings, when most of Prague is already asleep, black Mercedes and BMW automobiles are making their way to the 800-year-old Strahov monastery looming over the baroque city. A hand-written sign hangs from a tree trunk at the main gate. It says "Inferno," according to a report by the British THE FINANCIAL TIMES.

The monastery, which the communist authorities had confiscated together with other church property in the 1950's, was recently returned to the Roman Catholic Church. As the paper notes, the abbot of this monastery was able to find some very imaginative ways to earn money for repairs the monastery urgently needs.

Five meters underground, in the vaults where monks in past centuries used to do penance, the new local aristocracy rubs shoulders with ambassadors and foreign visitors to disco beats on the dance floor. At dawn all is quiet again in the monastery and the sign no longer hangs on the tree.

The manager of the club, Doriano Maltaliati, says about his arrangements with the abbot: "I think that he simply trusted me when I assured him that the club would in no way intrude on the life in the monastery." Maltaliati, an Italian who owns six restaurants in Milan, had to bargain hard with the monks for his three-year lease agreement. Father Abbot did have his pick of bids from about 10 other Western investors. "It will be an exclusive private club for members only, and nothing kinky will be tolerated," explains the Italian entrepreneur.

The slightest sound cannot penetrate the walls of the subterranean chambers. Parties are confined within the 12th-century walls, which are permeated with the moisture from four subterranean springs that well up in the vaults. "In July we had to put on winter coats whenever we wanted to look around downstairs. Everything was wet and there was not a single light. All that was there was debris. For renovations we needed a total of 43 permits from various ministries."

Maltaliati points to elegant lamps of black steel hanging on the walls. "Everything here was designed by myself and made by Czech entrepreneurs."

Thus far, Father Abbot was able to amass a small fortune from the rent: The rates per square meter equal the prices in Milan or Paris. The Inferno is profitable. The abbot plans to rent also part of the monastery's land to some foreign company that may build a luxury hotel there.

Maltaliati set up a restaurant in the club, but it is not easy to find food supplies. "That is real hell," he admits, laughing. "Every day I have to send someone out to scout the whole town just to find some ordinary lettuce."

He says that he must import most food from Italy, in small quantities, to get them through the customs. "According to official regulations, samples of imported foods should be submitted to the Ministry of Agriculture for approval, but that may take several months."

In a dark niche by the dance floor, a young waiter in black tie says that he earns double the average monthly wage, and then he asks: "Do you mean the official or the unofficial?"

Of course, Maltaliati's ambitions are not limited to the Inferno alone. He is in the process of buying a restaurant not far from the medieval Charles Bridge in the very heart of Prague; it will specialize in the traditional Czech cuisine, which in this city is a rarity, judging from the menus offering about the same six entrees—pork, beef, duck, dumplings, cabbage, and carp.

In addition, his plans include a cafe serving espresso and croissants, and in the old town quarter, showrooms for posh bathroom fixtures. THE FINANCIAL TIMES quotes D. Maltaliati's words: "I was making more money in Milan, but Prague has such a unique atmosphere. In no other city in the West could one do the zany things one can do here."

### Czechs Uneasy About German Joint Ventures

92CH0285A Duesseldorf *HANDELSBLATT* in German  
14 Jan 92 p 2

[Article by Markus Ziener: "New Anti-German Cliches in Prague"]

[Text] Mercedes-Benz AG can consider itself the most recent victim of a change of atmosphere in Czechoslovakia, which even the Prague ministers are obviously no longer able to ignore. The Stuttgart concern, whose declaration of intent concerning the establishment of joint ventures with the Czech auto manufacturers Avia and Liaz included several sizable requests of the Czech government, was subjected to unusually harsh criticism. Jan Vrba, minister of industry, referred to the requests as "excessive and unrealistic" demands, surpassing anything thus far requested by foreign investors. The federal Ministry of Finance stated dryly that the Mercedes proposals are incompatible with the Czechoslovakian Constitution.

It is true that Mercedes had set its sights high. According to Czech sources, the declaration of intent calls for a tax exemption lasting from five to 10 years after the joint ventures begin turning a profit, an increase in the import duties on new cars from 19 percent to 40 percent in order to protect Czech truck manufacturing, and an exemption from old debts and licensing fees. However, whereas Mercedes views its proposals merely as a springboard for negotiations leading to the usual compromise, many people in Prague view them as a further indication that their country is face to face with a German neighbor which, in their opinion, is becoming increasingly greedy.

Over a year ago, the joint venture between Volkswagen and the auto manufacturer Skoda Mlada Boleslav elicited an extremely favorable public response. However, by the fall of 1991 at the very latest, the acceptance of the competitive bid by Siemens for the Pilsner mechanical engineering firm of the same name met with sharp criticism.

An extremely weak-based dispute with the purchasers from Munich over the future safeguarding of the Skoda trademark resulted in ongoing quibbling over the Siemens decision. As a result, the Czech Government made a point of taking its time to officially approve the deal.

There was more and more talk of the "germanization" of Czechoslovakia; critical commentators revived the specter of a "sell-out" of Czechoslovakia to its German

neighbor; and, by the end of the year, the Czech ambassador to Bonn felt obliged to warn his hosts against giving the impression "that the new Germany might become the old Germany."

Another aspect of the overall picture of the Czechs and Slovaks is that the German-Czechoslovakian Treaty on Neighborly Relations, which, although provisionally signed in October 1991, has yet to be formally signed, does not address the issue of property. As a result, the concern that the Sudetenland Germans expelled from Czechoslovakia following World War II could reclaim their property has not been put to rest. The influential Prague daily newspaper *MLADA FRONTA DNES* directed its comment on this matter pointedly at Germany: "Economic power and political importance do not justify arrogance."

It is true that, in terms of financial volume, German investments in Czechoslovakia surpass those of all other countries. This should come as no surprise when one considers that Germany is, after all, the largest and economically the most powerful of Czechoslovakia's Western neighbors. However the picture is distorted by the nature of the investments. Because Volkswagen, Linde, Siemens, and Mercedes-Benz have chosen to invest in key industries, their eagerness to buy has stimulated the greatest public reaction.

Where the "unspectacular" small businesses are concerned, the situation is quite different. Here, the Americans, Dutch, Belgians, and Italians have invested at least as much as the Germans, if not more. Furthermore, the Czechoslovakian "family silver," such as the famous breweries, are already protected by law from foreign investors. The "sell-out" of the Czech economy is therefore limited in any case.

Nor do the numbers justify the present mood. In mid-1991, the Ministry of Finance counted just under 3,000 joint ventures, with a pledged partnership capital of 26.4 billion crowns (approximately 1.5 billion German marks [DM]). Of these, only 1,500 were in operation, bringing in something over DM600 million in direct foreign investments. Volkswagen grabbed the largest slice of the investment pie, with DM500 million. In actuality, 84 percent of the registered joint ventures had a market capitalization of less than one million crowns (barely DM60,000). Eight hundred of the joint ventures belonged solely to the foreign partners, but even here, their share of the total foreign capital of Czechoslovakia came to exactly 3 percent.

The attitude in Prague can be attributed to a recent onslaught of nervousness in the face of the June parliamentary elections and to attempts by the governing party to combat the increasing nationalistic currents within the country. It also appears certain, however, that the immoderate comments by Industrial Minister Vrba did not meet with the full approval of either the Czech or the federal cabinet.

Nonetheless, while one can sympathize with the internal political situation, Prague should not forget that petty-minded nation-state thinking has no place in a regionalized Europe, a Europe to which Czechoslovakia which

very much like to belong as a member of the EC. Furthermore, an atmosphere critical to Germany can all too easily degenerate into anti-German stereotyping. But even that appears irrelevant to Prague.

**New Death Threats Against Bishop Tokes Noted**

**Tokes's Open Letter**

92BA0418A Budapest UJ MAGYARORSZAG  
in Hungarian 11 Jan 92 p 7

[Text of open letter by Laszlo Tokes, a bishop of the Hungarian Reformed Church in Romania: "The Securitate Has Survived and Is Functioning"]

[Text] A list of every instance of slander, libel, abuse and death threats directed against me in Romania because of my role in Temesvar [Timisoara] in 1989 and my ethnicity, especially since the bloody diversion that [Romanian] nationalists provoked in Marosvasarhely [Tirgu Mures] in March 1990, would be very lengthy.

A mass demonstration by tens of thousands of Vatra supporters chanted in unison demands for my death.

In a small town I visited in my capacity as bishop, about 200 policemen and detailed soldiers had to protect me from the furious threats by a drunken mob that had been recruited and trucked to the scene.

The ultranationalist Romanian press dished out continually the clumsy libel, borrowed from Ceausescu, that in Temesvar I had led Hungarian agents, hooligans, and fascists in organizing an anti-Romanian and anti-Transylvanian foreign conspiracy, rather than a revolution.

Silviu Brucan, the gray eminence of the National Salvation Front, entered the ring against me, and so did Vasile Vacaru, another prominent leader of the Front. In the Romanian Parliament the latter urged the institution of criminal proceedings against me and my expulsion from the country.

This much should suffice as a sample of the beginnings projected by counterrevolutionaries and nationalists. Let us turn to what followed.

I prefer to discuss the latest chapter in the continuous state of being threatened, and to offer a factual summary of the malicious and deadly impulses directed against me and my family during the past three months. A virtual field of intimidating and threatening manifestations and effects has been woven around me since October of 1991, reminiscent of my seemingly fatal situation in 1989. It is a clear indication that the Securitate, Romania's notorious secret police, has survived—donning the colors of democracy and sheltered mainly by Vatra and the National Salvation Front—and is functioning.

1. Unknown perpetrators constantly keep defacing with hateful graffiti, and soiling with spit and vomit, the walls, gate, and fence of the secluded rectory in which we are living. Shady characters occasionally create a row around our home. All this is a repetition of what happened in Temesvar in 1989.

2. But the hostile press is even dirtier than our walls and gate. PHONIX, a Nagyvarad [Oradea] rag, published in October a serialized article in three installments against me. Its bold-faced headline branded me a fascist. Its "information" about me was taken, word for word, from the file that the one-time Securitate had kept on me. This is the paper that Petre Roman, the former prime minister, complimented in a written message at one time. Its "worthy" sister papers—ROMANIA MARE, RENASTEREA BANATEANA, TOTUSI IUBIREA, EUROPE, and others—are the cream of the ultranationalist Romanian press.

3. In its 28 September 1991 issue the Bucharest AZI, which qualifies as an official organ of the government, alleged nothing less than that the former king, Michael I, was staying in my episcopal residence, on his way to Bucharest to meet with the miners who were deposing Prime Minister Petre Roman. Romanian Radio immediately picked up this clumsy rumor and broadcast it every hour on the hour, suggesting to its listeners that I was "opposed to the political system."

4. The Romanian news service, the press and again the radio—with LE MONDE's dubious cooperation—rendered me a similar "good service" in late November. Distorting a statement I had made in Paris, LE MONDE misquoted me as having said that Transylvania did not belong to Romania. I immediately requested a correction and hastened to inform also ROMPRES about it. In spite of this, ROMPRES circulated only the distorted version of my statement; and in the wake of ROMPRES, the press and radio gave me wide "publicity" as an "irredentist."

5. It is even more painful when some misled or opportunistically inclined opposition papers undertake similar campaigns. Articles written in a hostile tone appear from time to time also in some of the opposition papers. In November, in its No. 47/1991 issue, for instance, Bucharest's EXPRES MAGAZIN presented me outright as a Ceausescu supporter, the antihero of the events that had taken place in Temesvar in 1989.

6. Anonymous threats are the other principal source of our domestic and social unease, of the fear that clings to us like our shadow. I had opportunity to become acquainted with this "genre" already during my struggles in Des [Dej] and Temesvar. A flood of anonymous letters and telephone calls is keeping us in a state of perpetual emotional siege even today.

For us October turned out to be a month of letters.

"Jordano Joesko" wrote from Debrecen, informing me that my car accident in Hungary had not been a matter of chance, and that sharpshooters were preparing to finish me off in the future.

A postcard in the same vein, from well-wishers in Ploesti, arrived about the same time. It contained threats against the lives of my children as well.

The "Sons of Avram Iancu" (Fii lui Avram Iancu) sent their greetings from the Romanian seashore, with the terse warning: "Get out of the country!" (It will be remembered that in 1948/49 the followers of Avram Iancu, the Romanian peasant leader, committed a series of mass murders of ethnic Hungarians in Transylvania.)

About that time my 74-year-old mother also received a letter from Debrecen. The "kindly" writer wanted to prepare her for the cross she would have to bear, and for the great bereavement she was about to have.

The customary anonymous phone calls to members of my family are hardly worth detailing. Far more noteworthy was the unusual case of an anonymous caller who harassed repeatedly my 5-year-old son's kindergarten teacher, demanding to know how she "dared" to teach my son in a state-run kindergarten.

7. For a change, anonymous "well-meaningness" spoke out now and then. An anonymous letter sent to the Budapest editorial office of the Panorama TV program, which had played a significant role in my affairs in 1989, asked them to warn me that "my life was in danger, according to the Romanian scenario" and I would be murdered by one of my bodyguards.

It so happened that soon thereafter I received a phone call from a former bodyguard who had been fired and had taken offense without cause. He threatened me indirectly with having "a writing" appear soon in the press.

Lately in Temesvar, where we were working to promote Romanian-Hungarian friendship, a worried anonymous caller phoned to warn me that we should not go to Menyo [Mineu], because an attempt would be made there on my life.

Then there was the kindly man who dropped in merely to inquire whether I knew who had been assigned to spy on me, who was the traitor in the chancery.

8. Entirely extraordinary was the case of the retired Nagyvarad secret policeman's younger brother who came into possession of extensive information and decided to unmask the political system, to wage open warfare against the surviving Securitate. According to the helpful information he voluntarily supplied, my already mentioned car accident had not been accidental but an attempt on our lives. A Major Theodor Salajan of the Securitate was in charge of my liquidation here at home, but also abroad an entire network of Romanian agents has been assigned to do away with me. From this same informant I also learned that there had indeed been an undercover agent planted among my bodyguards. The informant was also the man who, at the time of the coup in the Soviet Union, made public the death list that began with my name.

9. Although they never mentioned bloody murder, I regard as the most dangerous among my attackers those members of the Romanian Parliament who belong to

Vatra and the National Salvation Front respectively. Together with their fellow MP's, the authors of the so-called Hargita-Kovasza [Harghita-Covasna] Report who formulated the collective guilt of the Szeklers, the ethnic Hungarians [of eastern Transylvania], and who are waging a hysterical, nationalist hate campaign against the latter, used their malicious diatribes as an opportunity to attack me personally as well. Some of the instigators during parliament's October-November session were urging that I be placed under arrest, brought to trial and expelled from the country, under the pretext of having committed treason and being anti-Romanian.

At the same time, the Maros [Mures] county organization of the National Salvation Front sent the national chief prosecutor a memorandum demanding the institution of criminal proceedings against me and other Hungarian leaders.

10. One of the highlights of the national propaganda campaign against Hungarians that enjoys legitimacy given it by the Romanian Parliament and the ruling party, the National Salvation Front, occurred in parliament when Radu Ciontea, the Vatra leader, referred to criminals languishing in prison as "national heroes" while branding me, the revolutionaries in general, and the members of the opposition as traitors. It was then that Radu Ciontea read before parliament and the national TV audience the letter of Radu Tinu, the Temes [Timis] county Securitate chief imprisoned on charges of mass murder, in which the latter accuses me of treason and attempts to prove his own innocence. Behold, the "good secret policeman" who is pursuing his victims even from the dock, the way he pursued me in Temesvar in 1989.

It is also shocking that the very same Radu Tinu managed to be interviewed on television, together with the revolutionaries, on the revolution's second anniversary. In that interview he repeated his accusations against me and the heroes of Temesvar.

11. In comparison with the preceding, the incident that took place at the Felix Spa near Nagyvarad counts as a refreshing intermezzo. Because of the serious injuries I suffered in my car accident in 1990, I go regularly to the spa for physiotherapy. In October, the local police ordered an investigation into the "irregularities" in conjunction with my treatment. My physician and his staff were harassed for days. In their righteous indignation, they demanded to know who had filed the false complaint. Whereupon the police chief angrily retorted that filing the complaint against me had been a patriotic act. Behold, even giving me medical treatment is considered a criminal act in today's Romania.

12. The attention of the authorities extends even to religious life in a narrower sense. In the individual localities where I had served as minister, members of the police and secret service harassed the [current] local

pastors for days, with demands to curtail church activities and to provide "secret" information. (In Barot [Baraolt] and Magyarremete [Remetea], for instance.)

13. In the light of what has been said above, it is not at all surprising that—with the second anniversary of the revolutionary action in Temesvar fast approaching—most defendants of the so-called Temesvar trial, including Securitate officer Radu Tinu, have been set free. From my point of view, I regard his acquittal as the power structure's open, cynical, indirect threat against me. After all, he was the high-ranking officer of the secret police who in 1989 directed the entire campaign of persecution against me, my family and my church. Incidentally, the same can be said of the other principal defendants in that trial. The murderers of the Temesvar victims either have remained free and in office or are being set free one after the other. Therefore it is outright farcical that, after two years of complete silence, the military tribunal summoned me to testify on the eve of the second anniversary (13 December 1991), just after the guilty had been set free. On the other hand, I had never been summoned to testify in the "Temesvar trial" that had dragged on for two years. There had been no need for the testimony of the star witness, the victim.

14. I have left for the very end of my list the most serious document, my death sentence imposed on 17 November 1991 by a Romanian "people's court" functioning on behalf of several counties. My crime was "the defamation and denigration of Romania and the Romanian people." Anyone may carry out the death sentence after 31 December 1991. The "traitor's executioner" will receive a bounty of \$150,000.

That is the end of my long-winded list. The ultranationalist press, ROMPRES news service, radio, television, the police, secret police, military tribunal, Vatra Romaneasca, National Salvation Front and Romanian National Unity Party, the House and Senate, as well as the writers of anonymous letters, the anonymous phone callers, MP's, policemen, collaborators and agents, the "Sons of Avram Iancu" and my well-wishers—they all are beavering away, perhaps unwittingly, for the same objective: They are writing, telephoning, making speeches, adopting measures, harassing, threatening, abusing, sentencing to death and warning, in order to intimidate me, and thereby to deter, disarm, and crush me and to put me out of the way. On the basis of my abundant past experience, my knowledge of the political system's nature, and my understanding of the interrelations, there can be no doubt that the described cases, phenomena, manifestations, and exertions of influence all stem from the same root; directly or indirectly, they all can be traced back to the Securitate's continued functioning or—occasionally—to its spirit and mechanism that society has institutionalized.

The final alternative to the multiple, concentrated threats and intimidations could very well be "the final solution of the Tokes affair," my physical annihilation. Even if this is not included in the "scenario," the

circumstances, political situation and nationalist passions make this possible and probable. Therefore I have reason to be afraid, and a weighty reason to fear for my family. In a wider sense, we have reason to fear for the life of our entire crippled society, and particularly for the life of my people who are being intimidated and threatened by those same forces.

We have to defend ourselves. With shrewdness, requisite bravery, God's help, by reinforcing each other's faith and joining forces. And by seeking help from foreign democracies, and from our comrades and brothers abroad.

Nagyvarad, 8 January 1992

[Signed] Bishop Laszlo Tokes

#### Reformed Church's Protest

92BA0418B Budapest UJ MAGYARORSZAG  
in Hungarian 11 Jan 92 p 7

[Declaration of the Kiralyhagomelleki [Pasul Craiului—Oradea] District of the Reformed Church: "Statement"]

[Text] Two months ago Bishop Laszlo Tokes filed a complaint with the Bihar [Bihor] county police about anonymous letters containing death threats. The most serious threats were in a letter whose authors identified themselves as "the Sons of Avram Iancu" (Fii lui Avram Iancu).

In December 1991, letter writers who called themselves "the People's Court" (Tribunalul Poporului) notified our bishop that he had been sentenced to death, and informed him that a bounty of \$150,000 had been set on his head.

The leadership and the faithful of our church hear of such fictitious or real underground groups with growing alarm, especially in view of the fact that some papers of the gutter press (PHONIX, for instance) have been openly popularizing the obscure appeals of the so-called Patriotic Guards (Garzi Patriotice). The threats and judgments contained in the letters of writers who cloak themselves in anonymity are very reminiscent of the unbridled, hateful diatribes launched against our people, our churches, and personally against our bishop by certain members of parliament who belong to the National Salvation Front or to Vatra; those diatribes have directly precipitated these anonymous letters.

Our church is experiencing with consternation that while its bishop is struggling to achieve Romanian-Hungarian reconciliation and ethnic and religious reconciliation in general—most recently by organizing a Reconciliation March from Temesvar [Timisoara] to Menyo [Mineu]—certain underground circles, as well as parliamentary circles enjoying political legitimacy and the advantages of complete openness, are waging a campaign against his person, attempting to discredit thereby even his undeniable role in the events of 1989 in Temesvar.

In agreement with Metropolitan Nicolae Corneanu and Chief Rabbi Erno Neumann, both of Temesvar, and in conjunction with the preceding, our church expresses its grave doubts about the acquittals in the Temesvar trial. The freeing of some of the acquitted defendants is not only a slap in the face for the pure ideals of the revolution, but it also poses an indirect threat to—among others—Laszlo Tokes, the former victim whom they persecuted.

Although seemingly insignificant, we actually regard as indicative the fact that, at the Felix Spa, the local police recently harassed Laszlo Tokes's physician and his staff, and rated as a "patriotic act" (act de patriotism) the anonymous complaint filed against our bishop and the hampering of the treatment made necessary by his automobile accident.

The listed negative phenomena and threats, which include sentencing our bishop to death, compel the leadership of our church to speak out publicly in Laszlo Tokes's defense, and at the same time to ask the competent authorities of our country to conscientiously investigate the mentioned incidents and manifestations as well as to provide personal protection for our bishop.

Nagyvarad, 9 January 1992

#### Parliament Adopts Law on Cooperatives

##### Provisions Summarized

92CH0319A Budapest MAGYAR HIRLAP  
in Hungarian 9 Jan 92 p 8

[Article by Ildiko Nagy: "The Law on Cooperatives and the Transitional Law Will Produce Deep-Seated Changes; Every Square Inch of Land, All Property Worth Something Will Have an Individual Owner"]

[Text] The significance of the law on cooperatives and the transitional law adopted by parliament may be seen in the fact that these laws affect almost five million cooperative members and more than 6,700 functioning cooperatives. Viewed from the substantive standpoint, this is the most important law because by granting deeds, every square centimeter of land area and commonly established property will have real owners. Agriculture will be completely transformed as a result of this law (and the compensation law). About 3.4 million hectares of common cooperative property, 1.9 million hectares of cooperative member property, and 188,000 hectares of state-owned land area, as well as more than 300 billion forints' worth of assets will be conveyed by deeds and titles.

The legislative proposal submitted last May to the National Assembly has undergone fundamental changes. In September the government asked parliament to return the legislative proposal governing the transition. Some of the changes pertained to the designation of land (with respect to both cooperative land and land to be conveyed

under the compensation law), while others delineated the use of state-owned land by cooperatives.

The general debate that began in November had been disrupted by the urgency of tax and budget laws and the law on statutory limitations. Interest groups representing cooperatives took part throughout the deliberations of the Committee on the Economy and their recommendations received fair consideration. (Meanwhile parliament twice extended the moratorium on transforming cooperatives.) The law was adopted by the vote of a large majority in January, following brief debate over details in December. The fact that the law vests cooperative members with decisionmaking authority regarding virtually every important issue, may be attributed to broad public participation in the framing of the law. It should be noted, however, that cooperatives have been autonomous governing bodies with their own property from the outset, and that only a framework had to be provided at this time. Many believe, however, that in certain respects the law provides overly detailed rules.

What is the composition of the property whose transformation is of epochal significance? Compensation claims must be satisfied from 3.4 million hectares of commonly-owned cooperative land. Although the number of claimants is known—2.8 million claims have been filed with the compensation offices—no accurate data exists as of now concerning the size of land area claimed. The claims offices must inform producer cooperatives by 15 February about the total gold crown value for which claims have been filed. In other words, only at that point will it be known how much common land used by cooperatives is covered by compensation claims. Whatever land area remains from the 3.4 million hectares after compensation will also be conveyed to cooperative members in the form of deeds.

The 188,000 hectares of state-owned land used by cooperatives will be conveyed to local (village, city) autonomous governments. More accurately: since compensation claims may also be satisfied by conveying state-owned land, local governments will receive whatever remains after compensation.

The fate of the 1.9 million hectares of land owned by cooperative members is relatively simple, because that land has already been recorded in the names of members.

In most places, titles for half of the 300 billion forints' worth of assets have been issued based in part on the 1989 amendments to the cooperative law, and in part because it was possible to convey titles to 100 percent of the increment that has developed since.

Although the two laws have been simultaneously debated in parliament, their respective effects differ. The transitional rules will be in force until 31 December 1992. All industrial and agricultural cooperatives must transform themselves by then, while consumer, housing, recreational, and other cooperatives have until 30 June to transform themselves. The fact that both laws take effect

within a few days means that renewed cooperative efforts may begin immediately after transformation, in other words, cooperatives need not wait until the end of the year [before initiating new cooperative endeavors]. Titles to property must be conveyed by 30 April by cooperatives which have transformed themselves. Affected parties must be notified of decisions within 15 days thereafter. Members may announce their intentions regarding organizational changes within 60 days. At issue is no less than the question of whether members wish to continue to manage their cooperative jointly, and if not, in what form they perceive the separation and whether they want to establish a business organization. This process will last until at least 15 June. New bylaws must be drafted and adopted, and officers must be elected thereafter. The new cooperative law can be applied after all this has taken place.

The essence of the transitional law is to change the situation of cooperatives and of cooperative members to one that places these cooperatives and members into a position which is identical to the position a cooperative would have if established pursuant to the new law. Cooperative property must be turned into the members' private property. Lands that remain under cooperative ownership are included in this change, together with tracts of land that were already owned by members. In other words, land records will be changed so as to show land under cooperative management as land individually owned by the members. Members will receive the common property in the form of business shares, or, if they so desire, in kind. During the transition period each member may decide individually whether he wishes to pursue entirely independent farming on the land he owns, or if he wants to manage jointly in the framework of the existing or a newly established cooperative (or other business organization). Separate agreements will provide for the length of time members wish to leave their private property in common use. In the course of transformation individuals or groups of individuals who want to leave the cooperative may choose the form of their property, e.g., whether they want to exchange their 100,000-forint business share for a tractor. The tractor will be auctioned if someone else also wants to obtain the same tractor and if no agreement can be reached. Many believe that this is the most sensitive point in the process.

Most producer cooperatives are expected to transform themselves in August. New cooperative endeavors may be initiated after that. The law on cooperatives provides an opportunity for cooperative efforts based on the members' private property and private management by members entirely on a voluntary basis, yet it does not force cooperative members to manage cooperatives privately. The law on cooperatives permits members not to pursue private farming but instead to join together in common farms. Individuals, however, must not forget that by becoming private farmers they also become private taxpayers and farmers managing their affairs on their own accounts, i.e., they assume all the risks. At the

same time, the obligation of cooperatives to provide employment opportunities will be terminated, and members will make decisions concerning employment opportunities to be offered.

Future household farms present a tough issue. The elderly, in particular, are very concerned. The fact that the cooperative law does not address this issue separately does not mean that household farms cease to exist. Household farms may remain as they are, if the members so decide. One alternative would permit a member to lease to the cooperative part of, e.g., 30 hectares of land to which he holds a deed and the member could cultivate a smaller area of land and obtain services for that.

Accordingly, Hungarian agriculture is facing no small transformation. Even the most cautious people count on a revival in village life, and in some places on a burst of activities. Some great debates may be expected, and interest mediation groups will play a great role. After several decades of waiting, individual interest once again will play a role; moreover, one may also count on the clashing of interests. The oft-cursed "common land" will be exchanged for private property, but this will be accompanied not only by great responsibility, but also by the assumption of risks by individuals. At the same time, we are dealing with a branch of the people's economy [as published] that is a net contributor to the state budget and also produces a significant volume of goods for export. Are they—both the cooperatives and those intending to pursue individual farming—prepared for this deep-seated transformation? One wonders what profits and losses will amount to, and how many winners and losers transformation will produce....

#### 'Communities' Evolve

92CH0319B Budapest MAGYAR HIRLAP  
in Hungarian 9 Jan 92 p 8

[Article by I.N.: "Cooperative Property To Be Conveyed by Deeds Within a Year; Communities, Not Corporations, To Be Formed"]

[Text] The moratorium on the transformation of producer cooperatives will cease when the transitional and the cooperative laws take effect, according to Minister of Justice Istvan Balsai at a press conference yesterday. The minister underscored the societal significance of this measure because the conveyance of property by deeds and titles, as well as transformation, will be complete within a year. Significant barriers will drop in the path of both foreign investors and persons willing to become associated with cooperatives.

Terminating the kolhoz-type cooperatives is an economic necessity, according to Minister of Agriculture Elemer Gergatz. Everyone, including the cooperative leaders, wants transformation, he said. The government is not against cooperatives, and it would like to see the peasantry taking advantage of the opportunities afforded by the three laws (the transitional, the cooperative, and the compensation law). Since general meetings assume

greater significance, the minister asked members to use these opportunities because, after a long pause, the members are once again deciding their own future. He encouraged cooperative members not to be afraid of anyone, the era of fear has come to an end. He assured agricultural workers that the Ministry of Agriculture supports them. To provide such support, however, the ministry must know the exact wishes of agricultural workers. Gergatz made reference to a consensus he has reached with the finance minister concerning financial means. This is necessary because even though we will have a new type of agriculture, it will remain a stabilizing factor.

We must resolve conflicting economic processes, Tamas Isepy, Ministry of Justice political state secretary, said. On the one hand, agriculture must approach the system of business organizations, on the other hand it must remove itself from those. He quoted the new concept of cooperative endeavors as those that were defined by law and asserted that the definition did not mean a corporation but a community instead. Although the goal is to perform an economic activity, the law conveys a community spirit. It protects the community, and personal rights are separate from property because each member is entitled to cast only one vote, irrespective of the size of his share of property. At the same time, the number of legal entities must not be larger than that of natural persons, and members who constitute legal entities are not entitled to become officers. For this reason the leaders will be elected by secret ballot. The state secretary viewed as important that members pursue cooperative efforts with both personal involvement and property contribution, a cooperation in entrepreneurial and other activities. He regarded the distribution of property as the measure that shows the degree of freedom that exists. The general assembly must decide this matter. Closed auctioning comes into play if no agreement is reached, and strangers may join the bidding only if two phases of closed negotiations do not produce results. Nevertheless, the state secretary acknowledged that the transitional law is extremely complicated, but, as he said, this is the foundation upon which cooperatives will be able to transform themselves.

Since it was impossible to include details in the compensation law, those were provided for in the transitional law, and so were the principles of dividing lands owned by members, according to State Secretary Tamas Sepsey, head of the National Claims Settlement and Compensation Office. He also justified this by saying that a close relationship existed [with the compensation law] because the designation of land banks could take place simultaneously with the division of lands owned by members. Returning the people's original land would be most reassuring. This principle must prevail wherever possible, at the same time, however, the need to protect arable land cannot be disregarded. Forest and grazing lands, for example, must remain as single units. The state secretary reported that claims settlement offices in counties will forward to cooperatives by 14 or 15 February

the claims filed, i.e., the total amounts of gold-crown values claimed by persons entitled for compensation. Lands subject to auctioning must be designated within 30 days thereafter. After designating land for compensation from member-owned, cooperative common, and state-owned land, interested parties may establish so-called interest mediation forums. Tamas Sepsey views these forums as great opportunities because they will enable every interested party to be heard. In addition to between three and eleven persons entitled to compensation, representatives of proportionate share owners, cooperatives and local governments will also be able to discuss disputed issues, to presumably reduce the number of issues to be litigated in court.

#### Press Conference

92CH0319C Budapest NEPSZABADSAG in Hungarian  
9 Jan 92 p 5

[Article by M.M.: "Law on Cooperatives: Transformation Is a Necessity"]

[Text] At a joint press conference with the minister of agriculture yesterday, the minister of justice termed the two laws governing cooperatives as having epochal significance.

In Istvan Balsai's view the new legal provisions enable the rightful owners of every square centimeter of land and of every piece of property to freely decide. Members of cooperatives have a year to make decisions whether they want to continue working as individual entrepreneurs, as new kinds of modern cooperatives or as some other form of business. The moratorium on transforming cooperatives will come to an end on the effective dates of these laws. Accordingly, transformation processes begun earlier may be continued, but the cooperatives involved will have to obtain the approval of a two-thirds majority of their general meetings in order to do so.

Minister of Agriculture Elemer Gergatz began his statement by saying that he was moved by the new legal provisions because the significance of these may be compared to that of compensation. "We will be adamant in seeing to it that members are able to use their right to decide and to settle their own lives with as much patience and in as great a democratic atmosphere as was the force by which cooperatives had been established." Gergatz stressed that the government was not opposed to cooperatives. The government will provide all the assistance it can to agriculture, and that agriculture will continue to be a stabilizing factor in Hungary.

According to State Secretary Tamas Isepy the laws reflect an agreement among forces both within and outside of parliament. In his view, the new cooperative model is close to the original basic principles on cooperative endeavors, and the law provides guarantees to this effect. He mentioned the "first Hungarian democratic" cooperative law of 1947 as an example. In Isepy's view the legal provisions governing transformation are extremely complicated, but they are not more complicated than the

distribution of property in a suit seeking to dissolve a marriage. A multistep system prevents the squandering of cooperative property; this system opens an opportunity for outsiders to acquire property only after a second closed auction in which only the members of a cooperative are allowed to bid.

Compensation Office Chief Tamas Sepsey stressed that the cooperative law contains both the basic and enabling principles for the distribution of land. He said that should disputes arise in regard to the designation of farming lands, the affected parties would have to establish mediation forums. County offices would render decisions if these forums proved to be incapable of reaching decisions. Such decisions could be appealed at the national office in the first instance, and at county courts in the second instance.

#### Impact Assessed

92CH0319D Budapest *FIGYELO* in Hungarian  
16 Jan 92 p 31

[Article by Dr. Andras Zsohar: "Agricultural Cooperatives: Within the Law"]

[Text] The compensation and privatization laws jointly did not result in as great changes in ownership than the changes the new cooperative law and the transitional law could produce.

The minister of justice who introduced the legislative proposal claimed that 4.5 million cooperative members would be affected by the law, while the opposition party faction leader mentioned only a 1 million figure. In reality, the two laws affect almost 1 million people within the agricultural cooperatives alone, but if we add to these the number of people acquiring property, we find that in this branch of the economy alone the law could affect almost 2 million people.

The value of property to be divided in agricultural cooperatives amounts to almost 50 billion forints. Accordingly, it is not so easy to assess the significance and effect of the law that "creates owner citizens."

#### Capitalist Partners

Aside from favorable effects, one must also count on negative consequences. Although the transformation of cooperatives is not being forced, the deadlines provided by law for conveying deeds and titles for property, and for organizational decision-making may prompt campaign-like movements in the economy.

Let us see what is at issue.

The new cooperatives will be a form of enterprising equal to, but distinct from corporations. With the personal involvement of members and with their contribution of assets and their democratic self-governance, cooperatives will be engaged in entrepreneurial and other activities which serve the members' interests.

Cooperatives may have both natural and artificial persons as members. Membership by the latter is not based on the law, but would depend on decisions made by the membership community of a given cooperative, as such decisions could be based on the bylaws of individual cooperatives.

The possibility that legal entities which have more capital than individuals could "oppress" natural persons has been criticized by many. This concern is not well-founded, however, because citizens in a cooperative would permit the entry of capitalists consistent with their own interests, and in any event, each capitalist partner could only cast a single vote.

Cooperatives may be founded by a minimum of five members! Similar to corporations, cooperatives become established as a result of registering the firm. Since cooperatives are the fundamental entrepreneurial form serving owners with small amounts of money, no minimum amount of founding capital or capital stock is required. The amount of initial capital investment is to be decided by the members. This is why one could expect that limited liability corporations with founding capital below the 1 million forint level would also choose the cooperative form of operation.

#### The Leaders

The fact that matters not provided for by law must be dealt with in the framework of other law or autonomous cooperative rules, provides an important criterion for autonomy. The bylaws are the most important autonomous rules of cooperatives, and their highest level autonomous organizational bodies are the general meetings. The fact that general meetings are authorized to decide only about the merger, separation and termination of cooperatives, as well as of the future of indivisible property, is a significant new feature as compared to previous rules.

The top operating body of a cooperative is the board of directors composed of at least three members, or the managing president if the cooperative has fewer than 50 members.

A supervisory committee composed of at least three members must be established to represent the ownership and autonomous rights of members and to control the activities of the cooperative as a whole. The supervisory committee is entitled to examine any matter; it may propose that the board of directors be relieved or held to account, it may call for a general meeting and if the board of directors fails to do so, it is obligated to state its opinion about the management of the cooperative. Short of that, no valid resolution concerning the annual report may be adopted. The supervisory committee also makes recommendations to the general meeting concerning the compensation of officers.

### Personal Responsibility

One of the most important changes affecting officers of cooperatives is the fact that the law renders officers liable under civil law. Simply put, officers are jointly liable for damages caused to the cooperative if they failed to perform their duties. An officer who voted against a resolution, or protested an action and announced his objections to the supervisory committee will not be held liable for damages.

As compared to the earlier situation, the rights and duties of cooperative members have not changed much. The most important change is that members are entitled to go to court to resolve legal disputes affecting the membership.

The extent to which a member's property is involved in the cooperative plays a greater role. Each member is obligated to subscribe to one share at the time of founding or joining a cooperative. If the bylaws so provide, the full amount assigned to a share need not be paid at the time of joining, but it must be paid within one year from the date that the cooperative has been entered by the Court of Registry.

There are no upper or lower limits for amounts representing shares. The exact amounts are established as part of the bylaws. Cooperative shares, as compared to business shares, are not transferable and cannot be attached as a result of a court order. A cooperative share entitles the owner to receive part of the taxed net profits of the cooperative. In addition to subscribing to shares, a member may contribute property to the cooperative in different forms if such contribution is authorized by the bylaws, moreover, he may also make an interest-bearing loan to the cooperative.

### Taken Apart

The transitional law enables a member to obtain free of charge a cooperative share instead of a business share up to 10 percent of the value of the thus far indivisible cooperative property. In this way, a member would be freed from the obligation to pay for the cooperative share, at the same time however, he could receive the nominal value of the share if the member decided to leave the cooperative. In contrast, a member could only sell the securities given to him in the form of business shares created out of the accumulated assets, and could not ask for the payment of the nominal value of such shares.

The most problematic aspect of the transitional law which gives effect to the law on cooperatives relates to the distribution of cooperative property because the transitional law limits the autonomous decision-making authority of the governing bodies of cooperatives by imposing certain conditions which may create significant tension in the course of implementing the law.

Agricultural cooperatives are entitled to distribute 100 percent of their property, they may convey the same in

the form of deeds and titles to their members, employees and other persons named in the law.

According to previous perceptions business shares could only be sold to a narrower group of members. In an effort to give force to considerations related to compensation, however, the law also prescribes that anyone who has been a member of a cooperative (or heir to a former member) for at least five years is entitled to receive property.

Providing property in this manner severely conflicts with the interests of present members and employees. As a result of fluctuations that have taken place in cooperatives in the course of decades, several hundred thousand members and heirs could establish such claims against cooperatives. This provision could render actual ownership by members illusory in many instances.

### Disadvantaged

The possibility of imposing further restrictions on the thus far autonomous decisions to distribute property raises concern. Parliament is about to vote on 20 January on a proposal submitted by representatives according to which the length of membership and personal contributions, rather than the contribution of assets, must be considered to an extent of 40-80 percent in the course of conveying deeds.

A definitive rule would thus be created relative to the business activities of cooperatives. This rule would place cooperatives at a disadvantage vis-a-vis business organizations. According to this rule, a larger part of the annual profits of a cooperative subject to distribution would be paid out to members in proportion to their personal involvement. This rule would force the autonomous decisionmaking bodies governing cooperatives to make certain decisions based on personal contribution, even if as a result of tax rules in a given year or other economic interest it would make more sense to distribute profits in proportion to the assets contributed.

Another provisions that places cooperatives at a disadvantage is the obligation of cooperatives to establish a Solidarity Fund to the extent of 10 percent of the value of cooperative property. Cooperatives have, in their bylaws, regularly provided for various payments commensurate with their financial situations. Mandating such payments by law, even if such amounts may be charged against the budget, has a discriminatory effect on cooperatives as compared to other business organizations.

The greatest innovation in the transitional law is that while previously at least five people could leave a cooperative to form a another cooperative or corporation without having to pay taxes and dues, as of the effective date of the law the same can be accomplished individually, without the concurrence of the general meeting. The member's proportionate share of the cooperative property must be released at the end of the fiscal year. An expert appraisal of the property or auctioning is required

if the share of property to be removed from a cooperative amounts to 10 percent of the cooperative's property. If the value of the property to be removed amounts to less than 10 percent, the member leaving the cooperative may ask a court of law to divide the property instead of calling an auction.

**[Box, p 31]**

The Property Appraisal Method must be used to determine the value of indivisible property and the nominal value of individual business shares. By the vote of a two-thirds majority the general meeting of a cooperative determines which pieces of property owned by the cooperative should be made subjects of property distribution proceedings individually, alternatively in groups. Pieces of property that can be operated independently must be separated as individual units or as a group of individual units. The cooperative's payables and receivables must be linked to these pieces of property. A statement by the creditors is required for the distribution of debts and for the acceptance of payment obligations by future owners.

Distribution of assets without auctioning is possible only on the basis of a unanimous approval of a resolution by the general meeting if the cooperative is terminated, or by those leaving the cooperative, if the cooperative is not terminated. In case of transformation the unanimous vote of those not joining the corporation is required in order to avoid auctioning.

The situation outlined above suggests that a minority leaving a cooperative could force the majority remaining in the cooperative to continuously auction the cooperative's property. Only members and outsiders owning business shares could take part in auctions and these persons could bid individually or as a group based on the securities they hold in the form of business shares.

The general meeting may reduce the price of a piece of property if not sold at the upset price. If this produces no results, the auction must be opened to all persons, and cash bids may also be made.

**1991 Performance of Individual Stocks Analyzed**

*92CH0318C Budapest MAGYAR HIRLAP  
in Hungarian 9 Jan 92 p 10*

**[Article by K.T.N.: "Last Year's Record of the Stock Exchange in Figures"]**

**[Text]** The 1991 performance of the Budapest Stock Exchange will not go down as one of the most successful years in its history. Contrary to expectations, the number of securities registered and sold has not increased. In some instances the quality of securities introduced was

not appropriate. The volume of trading fell below expectations and there were huge variations in the daily volume of trading. The average volume of about 40 million shares traded is based on daily characteristic volumes of between 5 million and 30 million shares traded, and on the transactions of a few extraordinary days when high volumes were traded. Stock prices evolved in the framework of similar extremes. The provisional, unofficial index of the Budapest stock exchange dropped by 25 percentage points as compared to the starting value of 1,000 points. In the course of the year, however, the margin of minimum and maximum values came close to 460 points.

The same large-scale fluctuation can be seen in the performance of individual stocks, both with respect to volume traded and prices. On the other hand, one cannot make a general statement to the effect that 1991 was not a successful year for some stock. Those who invested in Kontrax securities and in Nitroil, Styl, Hungagent, Garagent, and Zalakeramia stocks registered gains during the year. The volume of trading of Zalakeramia and Nitroil was minimal in the course of the year, while Hungagent and Garagent are the new stocks in the market. Both were introduced in December. The price of Kontrax securities remained virtually steady but along with a continuously declining trading volume. Styl stock was most stable. Although it is true that Styl stock prices rose after periodic declines, it is also true that the increase during the year was accompanied by an appropriate level of trading volume.

Agrimpex, Buda-Flax, Bonbon, Konzum, Novotrade, IBUSZ, Skala-Coop, Sztarda-Skala, and Terraholding stockholders recorded losses. From a practical standpoint, Bonbon, Buda-Flax, Terraholding, and Novotrade stock prices recorded continuous price losses ever since their introduction, the rest of the stocks also saw some brighter days during the year. For example, Konzum clearly dominated the market following the Fotex-fever. Konzum stock prices increased along with a satisfactory volume of trade. But the same prices plummeted once Konzum's current losses came to light. Although with smaller deviations, the same could be said about IBUSZ.

Fotex stock prices showed the greatest fluctuation during the year. From its starting price at the beginning of the year, Fotex stock prices dropped to the issuing price (199 forints) in the first months and reached its 271-forint peak in March. Thereafter the price showed a continuous decline and leveled out toward the end of the year at above the 200-forint level. A higher than 205-forint price could not be maintained for a protracted period of time.

Although to a smaller extent, fluctuations also characterized the Dunaholding, Martfu, and Muszi stock.

**Certain Characteristics of the 1991 Trading Volume and Prices of Stock Registered and Sold at the Stock Exchange**

| Name of Stock                     | Volume Traded | Trading Value<br>(in thousands of forints) | Opening Price <sup>1</sup> | Closing Price        | Minimum | Maximum            |
|-----------------------------------|---------------|--|----------------------------|----------------------|---------|--------------------|
| Agrimpex (27 Jun)                 | 253           | 7,777                                      | 35,000                     | 22,000               | 13,500  | 35,200             |
| Bonbon (21 Jun)                   | 6,321         | 16,227                                     | 2,600                      | 1,900                | 1,500   | 2,750              |
| Buda-Flax (14 Jun)                | 1,293         | 1,966                                      | 1,650                      | 900                  | 900     | 1,650              |
| Dunaholding                       | 20,027        | 685,366                                    | 30,000                     | 29,000 <sup>2</sup>  | 22,000  | 40,000             |
|                                   |               |  |                            | 28,000 <sup>3</sup>  |         |                    |
| Fotex                             | 682,832       | 296,296                                    | 218                        | 205 <sup>2</sup> , 3 | 185     | 271                |
| Garagent (19 Dec)                 | 144           | 2,312                                      | 15,900                     | 16,500               | 15,900  | 16,500             |
| Hungagent (5 Dec)                 | 2,292         | 5,704                                      | 2,460                      | 2,650                | 2,430   | 2,670 <sup>6</sup> |
| IBUSZ                             | 62,375        | 242,257                                    | 4,750                      | 3,000                | 2,400   | 600                |
| Kontrax (2 Nov)                   | 3,661         | 103,406                                    | 23,150                     | 25,900               | 23,150  | 26,000             |
| Office Technology Kontrax (2 Nov) | 3,420         | 81,934                                     | 23,100                     | 25,200               | 23,100  | 25,200             |
| Telekom Konzum <sup>5</sup>       | 111,576       | 542,933                                    | 41,000                     | 600                  | 600     | 2,180              |
| Martfu                            | 34,766        | 86,296                                     | 2,190                      | 2,460                | 2,000   | 3,000              |
| Muszi                             | 4,763         | 78,021                                     | 16,150                     | 15,000               | 11,000  | 18,900             |
| Nitroil (6 Feb)                   | 670           | 12,192                                     | 15,400                     | 18,000               | 15,400  | 22,000             |
| Novotrade (9 Apr)                 | 2,389         | 12,000                                     | 44,000                     | 1,097                | 950     | 4,450              |
| Skala-Coop                        | 10,083        | 216,727                                    | 22,000                     | 13,150 <sup>2</sup>  | 12,000  | 32,300             |
|                                   |               |  |                            | 13,000 <sup>3</sup>  |         |                    |
|                                   |               |  |                            | 11,150 <sup>4</sup>  |         |                    |
| Sztrada-Skala                     | 2,599         | 54,772                                     | 20,100                     | 18,400 <sup>2</sup>  | 13,000  | 27,150             |
|                                   |               |  |                            | 18,500 <sup>3</sup>  |         |                    |
| Styl (21 Jun)                     | 230,101       | 764,439                                    | 3,100                      | 3,460                | 3,050   | 3,710              |
| Terraholding (11 Jul)             | 2,334         | 3,284                                      | 1,680                      | 900                  | 900     | 1,620              |
| Zalakeramia(1 Aug)                | 41,072        | 62,522                                     | 1,570                      | 1,650                | 1,518   | 1,700              |

Note: Dates of introduction of stock on Stock Exchange appear in parentheses after the names of firms whose stock was introduced in 1991.

(1) Year's first benchmark price

(2) Registered series

(3) Sight series

(4) Closing of the FB [abbreviation unknown] series; we added to the trading volume of Skala-Coop the results of this stock's transactions but disregarded the prices of this series in calculating minimum/maximum prices

(5) The nominal value has changed in the course of the year, the thus-far 10,000-forint securities were changed to a stock with a nominal value of 400 forints

(6) With respect to the old issue "0" series the maximum series "1" price was 2,650 forints

**Percentage Share of Certain Stocks of Total Trading Volume in 1991**

[percentages approximate]

|             |    |
|-------------|----|
| Styl        | 23 |
| Dunaholding | 21 |
| Konzum      | 17 |
| Fotex       | 8  |
| IBUSZ       | 7  |
| Skala-Coop  | 7  |
| Kontrax-es  | 6  |
| Other       | 11 |

**Issues, Differences on Constitutional Reform**  
92EP0183A Warsaw GLOB 24 in Polish 8 Jan 92 p 2

[Article by Roman Chocyk: "Constitutional Difficulties: What Is Good For the Country?"]

[Text] Spiteful individuals predict that someone will submit the draft of yet another electoral law, and due to this, the parliament will not work on anything else during this term....

It is a fact that work on the basic law which will replace the 1952 Constitution has been underway in Poland for some time now, and cannot be completed. It is hard to accuse the new Sejm of not having been installed through a free election, and yet the first several weeks of its operation indicate that the adoption of significant acts on the political system may run into great difficulties. For example, the fate of the presidential draft of the Minor Constitution testifies to this. Given a politically splintered chamber embroiled in conflicts, a compromise will not be easy to achieve. Besides, the views of our political groups and parties change very easily, and what they support today they may fight tomorrow just as vigorously.

The current parliament is not a constituent assembly in the strict meaning of the word. The 1952 Constitution does not provide for a situation whereby it is to be amended by a bicameral parliament. Therefore, prior to embarking on a discussion on the content of the new Constitution, it is necessary to define the manner in which the Sejm and the Senate will participate in developing and adopting the basic law, whether a nationwide referendum will be a condition for the Constitution to take effect, and what its relationship is with the legal and systemic arrangements of the People's Republic of Poland.

Undoubtedly, both chambers of parliament have equally legitimate rights to take part in work on the Constitution. Therefore, the only sensible way out is to proceed on the assumption that the Constitution of the Third Republic of Poland should be adopted by the National Assembly, that is, the Sejm and the Senate at a joint session. This arrangement takes care of obstacles of a formal nature, and emphasizes the significance of the new law. Both drafts submitted for consideration to the marshal of the Sejm (developed by the ZChN [Christian National Association] and the UD [Democratic Union]) are in agreement on this point.

However, the UD draft calls for work on the Constitution to be handled by a commission consisting of 40 deputies and senators. The ZChN comes out in favor of a commission consisting of 23 deputies and 10 senators which will be headed by a vice marshal of the Senate. Despite accounting for a minority of the National Assembly, the Senate would thus be overrepresented in the proceedings of the commission. The first reading of the drafts indicated that the adoption of this arrangement by the deputies would be unlikely.

The concept of holding a nationwide constitutional referendum appeared as early as the previous term of the parliament. Under current conditions, this referendum would be held solely to ratify the law adopted by the National Assembly. Despite this being a costly and organizationally difficult procedure, it will enhance the stature and prestige of the new Constitution. The ZChN draft takes a different view. It considers the referendum to be a device for resolving a conflict which may develop between the parliament and the president. One of the articles in this draft provides for the president's right to refuse signing the Constitution if he finds that its provisions are detrimental to the good of the people, in which case a referendum would be held. It is very likely that a difference of opinion as to the values and arrangements in the Constitution will occur, given our political situation. It is all the more likely, now that we know the suggestions and expectations of the president outlined in the draft Minor Constitution withdrawn by the Belweder from the Sejm. However, it is hard to agree with the provision that holding a referendum is only possible with a view to questioning a decision of the National Assembly. Under the circumstances, the referendum would serve as an arbiter in a dispute between the supreme organs of the state rather than as a declaration of a position on the new Constitution.

The first constitutional debate in the current Sejm also indicated a considerable range of views on the issue of the majority of votes needed to adopt a new basic law. Provisions of the 1952 Constitution refer to a qualified two-thirds majority. The UD draft proposes a two-thirds majority. In turn, the ZChN comes out in favor of a simple majority, because abandoning the two-thirds majority is necessary in view of a different political make-up, making it very difficult to obtain two-thirds of the votes in many cases.

Special procedures for amending the Constitution, different from those for ordinary laws, are accepted in a majority of European states. However, it should be acknowledged that there have been cases of constitutional assemblies which made their decisions by a qualified majority. Therefore, both proposals are in line with arrangements already used. However, it is hard to agree with the arguments of the ZChN without reservation. The assumption that a Constitution may be adopted by a small number of votes, as a result of an extemporeaneous, even one-time majority, would entail dangerous consequences. Any similarly ephemeral majority would be able to arbitrarily change it. If the Constitution is to be the foundation of a new legal and political order in Poland, it should be adopted through the most significant political forces coming to an agreement. It should be an internally cohesive and universal act in order to be able to survive a good many arrays of parties.

It will be difficult to meet these conditions. Political controversies, which separate clubs and parties, and

tactical games will unavoidably affect work on the Constitution. It could be that a codifying commission consisting of professionals—individuals with great experience and legal expertise—should be set up in order to protect work on the Constitution against such disruptions. Upon the acceptance of the commission by both chambers, the commission, far removed from squabbles between parties, would embark on quiet, substantive work, developing alternative solutions on major issues of the political system. This draft would be the one to be offered to our society for evaluation (which through, for example, a referendum would itself say which solutions it believes are the best), and confirmed by the National Assembly.

The adoption of the new Constitution cannot be postponed indefinitely. The lack of a new Constitution would be an unfavorable influence on the further development of democracy in Poland. However, the adoption of incomplete and faulty arrangements which give rise to excessive controversy would also entail similar consequences. It would be better to develop some transitional Minor Constitution, and to postpone a discussion of the new basic law until better times.

#### **Future of Party of Christian Democrats Viewed**

*92EP0173A Warsaw LAD in Polish No 49, 8 Dec 91  
pp 1, 4*

[Article by Krzysztof Pawlowski, chairman, Party of Christian Democrats: "After the Election: The Future of the Christian Democrats"]

[Text] The night of 27 October was certainly a shock for the majority of Polish politicians—not only those who lost the election but also those who won it. Everyone should have learned humility and should have been guided to deeper reflection from that night. Such reflection, however, should have been based not on dwelling on defeats or victories, but on focusing our attention on the future of Poland.

By now, however, a serious discussion should be held over the vision of a future Poland, without waiting for the results of talks over appointing a new government and over the shaping of parliamentary structures. In my opinion, what was most lacking during the electoral campaign was an in-depth program discussion. The vast majority of groups focused on attaining positive immediate results—on attaining a maximum number of mandates, even at the expense of the picture of the party as a passing thing.

Let us attempt to summarize briefly the election results:

- The low attendance, lower than expected, despite the dramatic appeals of the episcopate and the president, indicates that society is vacillating politically. It seems that one of the major reasons for such great absenteeism was the weakness of the programs of parties just starting out in the election, their lack of clear and reliable program lines. Due to this, a large

part of society which did not identify with any program preferred to stay home rather than to vote merely for persons and slogans. Moreover, one of the reasons for the high absenteeism seems to be the fact that a large part of society continues to view Polish policy as policy conducted by the elite and for the elite (the famous "they"—no longer the "they" of old, but still not "us"). This may be the basic cause for the failure of a large group of society to identify with the Polish state (this is particularly noticeable among young people).

- The distribution of votes among the 10 most numerous groups in the Sejm, pointing to the great political disorientation of even those parts of society that participated in the elections. However, this disorientation is understandable, given the tremendous program weakness of the individual parties.
- The clear weakening of class parties, especially the so-called people's peasant parties, along with the continuing influence of the two organizations which have an obvious postcommunist face—but only within the compass of the electoral "old clientele." The total number of votes cast for the SLD [Democratic Peasant Party] and the PSL-SP [Polish Peasant Party-Labor Solidarity] is almost identical with the total number of people who occupied nomenklatura positions in the PRL [Polish People's Republic] and the total number of employees of party apparatuses, while the overall influence of postcommunist parties shows a declining trend.
- The relatively low support of groups appealing to Christian ideals along with much weaker than expected results from Christian Democratic groups. This result may be most readily interpreted in terms of the breakup of the Christian Democrats into three groups which entered the elections independently (the POC [Citizen's Center Accord], the Ch-D [Christian Democrats] and the PChD [Party of Christian Democrats]); however, the cause of this appears to be much deeper.
- Those groups which were led by so-called strong personalities (the KPN [Confederation for an Independent Poland] and WAK [Catholic Election Campaign]) and which used simple, symbolic, sloganistic propaganda (effective for the short term but apparently not supported by a integrated program vision or by effective means for implementing it) obtained better than expected results.

The fact that I have drawn five basic conclusions from my personal analysis does not suggest that it is a comprehensive assessment; nor is that the purpose of my statement.

The basic intent of this statement is to encourage the communities which are still dispersed among several parties, but which clearly appeal to deeper Christian Democratic ideals, to try to make a joint analysis of election results and discussions over the future of the Christian Democratic movement in Poland. It is not too late to do this! I still maintain that the Polish Christian

Democratic movement has a chance for success, but we must plan more wisely and shorten the routes which lead to success.

The variety of political options for Polish society manifested in the elections, a certain political disorientation and the domination of personalities over programs will probably continue for a long time. Moreover, the prospect of the crystallization of political planes which clearly differentiate the various important political groups will extend beyond the time of the next election (assuming that it will take place in about four years). This gives Christian Democratic communities indispensable time for:

- The indispensable internal integration;
- Fundamental program work based on defining the tasks confronting Polish society and the political class, on the preparation of the vision of the state, its institutions and its development which will attract society and on the development of clearly defined ways to implement the program;
- The concentration of the majority of society around such a program.

The communities currently centered around the Christian Democratic parties have already embarked upon integrated initiatives twice: for the first time in September 1990, when they organized the first joint conference of Christian Democratic parties and organizations in the Sejm (at that time we sent 27 invitations) and the second time in January 1991, when we embarked upon an initiative calling the Polish Christian Democratic Congress as an integrational platform intended as a long-term activity in which integration will take place around a jointly developed program. The integrational processes are already underway. At present we are short of only seven Christian Democratic parties; we did not succeed in banding them together before the elections and so we entered the election separately (but not in opposition to each other) in three electoral blocs—the Citizens Center Accord, the Christian Democracy (which brought together the Ch-D [Christian Democrats], the SP [Labor Party], the ChPP [Christian Labor Party], the PFCh-D [Polish Christian Democratic Forum] and the Ch-DS "Z" [Christian Democratic Party "Unification"]) and the Party of Christian Democrats. While it is possible to oversimplify the reasons underlying the failure of a joint representation, blaming everything on the excessive ambitions of party chiefs (as one of the leaders of the PC [Center Accord] recently tried to suggest), let us not hide the fact that the failure to band together resulted from fundamental, deeper causes. The PChD abandoned the possibility of entering the coalition (the Ch-D) because of the divergent positions over the possibility of cooperation with the PFCh-D in its present form in which it groups together many prominent activists from the former procommunist Pax. We differed significantly from the PC in our manner of building the coalition and in the indispensable steps for integrating following the election. I believe, however, that during the election campaign, fortunately nothing

much happened to deepen the differences and divide the party elites still further. The results of the election must be analyzed with a view to the future. Why did society support the Christian Democrats only insignificantly? What was the reason? A poor campaign, confusion caused by the appearance of several groups, the fact that the party was unknown or the lack of programs?

I believe that all of these elements helped determine the outcome of the election. Except for the PC, the other groups did not penetrate extensively into the awareness of voters, they did not demonstrate their separate identities enough and they did not reach the average voter to promote their own programs, in spite of the fact that they had such programs, unlike many electoral committees. The PChD went to the voters with an integrated program, stressing the basic significance of its three elements:

- Moving from a recession to economic growth;
- Promoting new social values through the building of new institutions, promoting ways of acting which would free up community initiatives, so as to uproot the mental remnants of the old system;
- Encouraging the majority of society to participate in the process of change by focusing the attention of citizens on the implementation of regional programs.

Since we did not have the material resources or our own press, we were able to use only those means of propaganda which were available to all, and only during the election campaign. This was too late. As the election results show, the oldest parties, which were generally known to voters several months before, won. One of the reasons for the limited election results of the PChD (it obtained seven mandates to the Sejm and the Senate) was surely the conscious decision that we are making a start only in those districts in which we have already developed organizational structures. Thus, we entered in reality in 18 districts, exclusively with local candidates, and obtained positive results in five districts, while in several other cases we were literally a step away from success. Judging by the results, displaying current candidates with their so-called titles (the so-called "paratroopers") could have yielded positive results, but we are building a party from the ground up and that is the most important thing for us.

To return to the basic issue—the integration process—if we assume the status quo to be a political fact, the only possible route seems to be integration in stages, mainly around a program, allowing for the possibility of the existence of various groups within the broad movement. Perhaps it would be worthwhile to return to the idea of the Polish Congress of Christian Democracy as a major integrational plane.

The creation of a general program of Christian Democracy must be preceded by answer to the question: In what direction should Polish society as a national community and Poland aim? The answer to this question can provide the prerequisites for creating a real program and a

way to implement it. For a free market and democracy are not the goal, only the route, which can lead us in the desired direction.

In my opinion, the building of a creative society, organizing itself from the ground up ("initiative and self-organization"), which would become integrated by means of the joint implementation of tasks ordered in a clearly placed hierarchy should be such a general goal. These tasks are:

- An effective economy creating an opportunity for as many citizens as possible;
- The defense of the substance of national culture;
- The promotion of Christian values through the implementation of the principle of social justice.

The Christian Democratic movement should have special tasks (and possibilities) in the area of building a solid state social policy (in the eyes of society, Christian Democracy can become a more reliable defender and promoter of ideas of social justice than leftist groups). It is also extremely vital that the promotion of Christian values in society take place in a positive manner—as a way to apply better and more effective solutions, and not only to defend values (for then it is not far from defending the "ownership state" and the "besieged fortress"). The election results show how important the process of transforming the social consciousness will be (and how important the forum of joint activity of Christian Democratic groups can be). This transformation process is one of positive decommunization, understood as the break with old habits and ways of acting, with an old consciousness. Here there are three major directions of action:

- The development of the civic and state consciousness;
- The education of moral awareness;
- Economic education.

This almost telegraphic listing of tasks shows that there is enough work for all. There are also free areas for all in which striking results may be obtained and success may be achieved (including personal success). Let us attempt to consider together how to do this the most effectively and quickly. Let us also try to ponder where we can find the necessary funds to implement the tasks facing Poland's Christian Democracy.

#### Concerns Over Ukrainian Minority Unwarranted

92EP0176A Warsaw *GLOB 24 in Polish* 3-5 Jan 92 p 7

[Interview with Professor Michal Lesiow by Hanna Maksim; place and date not given: "Ukrainians Have Begun To Straighten Up"]

[Text] [Maksim] Since the Union of Ukrainians in Poland got involved in politics and a struggle for parliamentary seats, antagonisms have come back; the reopening of old wounds and recriminations have begun. NASHE SLOVO whitewashes the UPA [Ukrainian Insurgent Army] and publishes, among other things, the

names of UPA soldiers murdered by the Poles. The TV broadcasts a program on the pacification of Wierzchowiny, which forcefully exculpates the NSZ [National Armed Forces, one of the Polish underground organizations during and after World War II]. What is all of this supposed to accomplish? Why is it important for you to evoke a sense of ethnic distinctiveness, given that in a democratic state all citizens have equal rights and responsibilities anyway? The results of elections serve to yet again confirm this: Had all Ukrainians residing in Poland cared to express their distinctiveness, they would have voted for their representatives. Meanwhile, there was not enough support for even one seat....

[Lesiow] I take a different view of this. The defeat in elections is yet another proof and, in principle, a consequence of several decades of discrimination against Ukrainians in Poland. The Ukrainian community numbers between 250,000 and 500,000. The only reason we lost is that we were deliberately and cruelly scattered.

The 1947 banishment of the Ukrainians was an oddity on a world scale. Everybody was resettled, including Polish-Ukrainian families, even if they used the Polish language.

Each resettled Ukrainian was branded a bandit even if he had nothing to do with the war and the guerrillas. The people who survived this nightmare, their children and grandchildren are entitled to a statement of apology, and in the highest forum at that. This is why it was important for us that our interests be expressed in the parliament by our representatives. Such representation would not be a threat to Polish state interests in the least, but it would be a gesture of moral redress.

[Maksim] I am afraid that over time, it would become a platform for claims of a different kind. Many of those resettled are seeking the return of assets or the payment of indemnities; they are not waiting for the reprivatization law. At the same time, the results of a questionnaire held across the Bug among fellow Ukrainians confirm that hundreds of families who have emigrated across the Bug fearing repressions would like to return to Poland. Embittering such attitudes inexorably brings about revising borders. Let us also be mindful of the fact that Poles likewise abandoned their possessions across the Bug.

[Lesiow] I am opposed to such reasoning. We may just as well go back to the times of serfdom. This may sound trivial, but we should rather be mindful of the fact that in many cases, the border may be drawn through the center of a conjugal bed.

In turn, I would not equate the repatriation of the Poles and that of the Ukrainians. The Ukrainians were resettled forcibly. The Poles abandoned their possessions being fearful of Bolsheviks and Soviet atheism. Their fear of Ukrainian guerrillas could be only one of the reasons.

Aspersions were cast on us, and the Ukrainian clergy were accused of inciting the fight against the Poles, for so many years that the Ukrainian community expects apologies on this account, and it also wants to talk about its victims, those who fought for an independent Ukraine with the Bolsheviks, the Germans, and also had to fight for it with the Poles. The Ukrainians have a right to take a different view of the UPA than the Poles.

To me as a linguist, language is the criterion of division in a society. When the Poles fought for independence all of eastern Galicia used the Ukrainian language. May it be condemned only for fighting for its independence?

However, I would suggest that we leave a search for the origins of conflicts and the passing of judgments to historians, though I am aware that absolute objectivity is impossible. Let us rather look for what united and still unites us. The fact that not a single bad word about Ruthenians and Ukrainians is found in the dictionary of Polish proverbs is perhaps the best proof that our interests have not always been contradictory.

[Maksim] At the same time, this calls into question the feasibility of establishing a distinct Ukrainian community, and Ukrainizing those who have not been aware of their ethnic background or have concealed it for various reasons. When the educational authorities were inclined to open a Ukrainian school in Wlodawa, it turned out that nobody wanted to attend this school.

[Lesiow] In Poland, it was better to be a Pole than a Ukrainian. This was the only reason many individuals concealed their Ukrainian background. It could not have been otherwise, given that in common perception, a Ukrainian who admitted his background was worse yet than a Ukrainian.

Several thousand churches were taken away from us; our cemeteries were destroyed; instruction in the Ukrainian language and publication of periodicals and books was made impossible or difficult.... If we are to feel like citizens, endowed with full rights at present, we expect our religious, ethnic, cultural, and linguistic distinctions to be respected. I would like things Ukrainian to be treated in Poland as things Polish are treated in Ukraine. In Ukraine, ballots were printed in five languages: Ukrainian, Russian, Polish, German, and Romanian. This is a fine proof of tolerance.

[Maksim] Unfortunately, the situation is far worse with everyday tolerance. Several days after a plaque commemorating the birth of Mikhaylo Hrushevskiy was installed in Chelm, somebody painted it over with red paint. Most likely, it was a juvenile in whom hatred toward the "Russkies" has been instilled. However, what is going to happen when an entire troop of such juveniles runs, on the same path, into a Plast troop under the sign of the trident?

[Lesiow] For the Ukrainians, the trident is the same coat of arms as the crowned eagle for the Poles. Ukrainian young people in Poland should have a right to select an

organization. The traditions of Plast are as beautiful as those of Polish scouts. The only point is for the two groups of boys to learn mutual respect in their households, in school, and in church. Everything is going in this direction. The Catholic Church has already done a lot. The pope has spoken the truth about Ukraine and Ukrainians in Poland; people who come from Catholic and Solidarity circles have begun to speak it. It is thanks to them, among others, that the Ukrainians have begun to straighten up.

[Box, p 7]

Professor Doctor Michal Lesiow is a well-known linguist, respected in the circles of Slavic studies specialists. He is the author of more than 400 works in the fields of history, dialectology, and proper names in the Ukrainian language, as well as Polish-Ukrainian language relations.

He has been affiliated with the Maria Curie-Sklodowska University and the Catholic University of Lublin, the Bialystok campus of the University of Warsaw, and the Higher Pedagogical School in Olsztyn. In addition, he taught Ukrainian and Polish linguistics at Harvard University in Cambridge and at a university in Minneapolis, Minnesota.

He chaired a commission that prepared a memorandum for the Ukrainian Socio-Cultural Association (currently the Union of Ukrainians in Poland) entitled "Ukrainians in People's Poland" which was submitted to the Sejm in the last term.

[Box, p 7]

By the end of World War II, about 750,000 Ukrainians ended up on the lands which now belong to Poland. Populations residing in the southern and western regions of Poland since time immemorial accounted for a majority of this number. In 1945 and 1946, about half a million Ukrainians were resettled to the Soviet Union. In 1947, after the main forces of the Ukrainian Insurgent Army were routed, a decision was made concerning the mass, comprehensive, and forcible resettlement and dispersal of the Ukrainian population (Operation Vistula). The Ukrainian Socio-Cultural Association, which was overseen by the Ministry of Internal Affairs until last year, was formed as late as 1956; currently, it is the Union of Ukrainians in Poland.

Ten thousand members belong to the Union of Ukrainians, whereas the number of Ukrainians residing in Poland comes to between 600,000 and 800,000, according to estimates by the Ministry of Internal Affairs. The Lemki Association, the Plast scouting organization, and numerous professional clubs (teachers, lawyers, doctors, and so on) also belong to the Union. Recently, the Trading Bureau Ukraimex and the Foundation for Ukrainian Culture were set up in Warsaw.

About 1,500 children and young people are learning the Ukrainian language at 50 instruction centers. Primary

schools are located in Banie Mazurskie (Suwalki Voivodship), Bialy Bor (Koszalin Voivodship), and Przemysl, and general secondary schools in Bialy Bor, Gorowo Ilawieckie (Olsztyn Voivodship), and Legnica. The weekly *NASHE SLOVO* (circulation 12,000), *ZUSTRICH SPOTKANIA*, and since the summer of 1991, *NAD BUGIEM I NARWIA*, the Ukrainian paper of the Podlasie area, are published in Ukrainian in Poland.

An overwhelming majority of Ukrainians residing in Poland are members of two churches: the Polish Autocephalic Orthodox Church and the Catholic Church of the Byzantine-Ukrainian (Greek Catholic) rite. The Greek Catholic Church has about 300,000 members, and expects, among other things, to have its confiscated assets returned "to the extent that the believers and the clergy will express the need and state their ability to actually take over the title to these assets."

**Falling Production Statistics, Budget 'Disaster'**  
92EP0178A Warsaw *GAZETA WYBORCZA* in Polish  
16 Jan 92 p 5

[Article by (us): "Is the Disaster Still Closer?"]

[Text] The year 1991 saw yet another drop in production, maintains the CUP [Central Planning Administration]. The financial situation of state enterprises deteriorated. In CUP's estimation, the condition of the budget is "disastrous."

Last year, unfavorable trends prevailed in our economy, and threats mounted which may be a decisive influence on the socio-political situation in the country in the immediate future, as the CUP maintains in a preliminary evaluation of economic processes in 1991.

The only sector of the national economy in which the CUP registered an increase in output was communications (output is measured in terms of the number of installed telephones, among other things). Among the few favorable phenomena, the CUP also mentioned:

- Market equilibrium (however, the CUP cautions that it was mainly the result of restricted demand for goods and services);
- Increase in the zloty-denominated savings of the populace;
- Large foreign exchange reserves held by banks (in December 1991, \$6.5 billion, or \$1.3 billion less than in December 1990);
- Stability in the foreign exchange market.

**Industry**

Compared to 1990, industrial output declined by 14.2 percent, and compared to 1989, by as much as 35 percent. The CUP cites the low demand in the domestic market, the collapse of exports to the countries of the

former CEMA, and especially to the former USSR, and an increase in the imports of consumer goods as reasons for the decline in the output of state industry.

The share of output of the private sector increased. In 1991, it came to as much as 25 percent of the total output whereas in 1990—17.2 percent, and in 1989—16.2 percent.

**Agriculture**

Last year, agricultural output was 2 percent smaller than in 1990. The crop of grains was almost the same as the year before, and that of fruits was one-third higher. However, the potato and sugar beet crops were considerably smaller.

The herd of hogs increased by more than 12 percent. The herd of cattle declined by the same percentage.

The income of farmers was down sharply due to difficulties with the sale of farm produce and low procurement prices. Only in the fourth quarter did the situation improve because difficulties with sales came to an end, and procurement prices increased.

**Foreign Trade**

For the first time in 10 years, the overall volume of exports in 1991 was lower than in the previous year. The balance of foreign trade, i.e. the difference between the value of exports and imports, was negative—minus \$100 million.

**Financing of State Companies**

According to CUP estimates, as much as 39 percent of state companies operated in the red. State enterprises owed the budget 23 trillion zlotys [Z] in back taxes.

**Budget**

In the opinion of the CUP, the rapidly growing budget deficit threatens to destabilize the financial system of the state. In November, the deficit came to Z30 billion. In December, it increased considerably, but, maintains the CUP, "the magnitude of the deficit will be known at a later date." Decreasing revenues from state enterprises are the primary cause of the deficit.

**Wages**

The CUP estimates that the average monthly wage came to almost Z1.8 million last year (in the sphere financed from the budget—about Z1.65 million). Compared to 1990, real wages in the sphere of material production increased by 4 percent in 1991. However, real wages declined by as much as 11 percent in the sphere financed from the budget, notes the CUP.

Last year, wages in the sphere financed from the budget were 24 percent smaller than in the sphere of material production because, in keeping with a decision of the Sejm, there have been no cost-of-living adjustments since April 1991.

**Ministers Embroiled in Dispute**

92BA0459A *Ljubljana DELO in Slovene* 29 Jan 92 p 1

[Article by Darijan Kosir and Romana Dobnikar-Seruga: "New Rupel-Peterle Dispute; Will the Foreign Minister Really Resign?"]

[Excerpt] Ljubljana, 28 Jan—After the domestic press conferences arranged by Prime Minister Lojze Peterle (after a meeting of the government) and Foreign Minister Dimitrij Rupel (as a regular conference), and after the meeting of the Assembly's commission on international relations, it seems that a major new dispute is taking place between Peterle and Rupel, which, according to statements by both, may even end in the foreign minister's resignation if things are not settled. The cause of the dispute is as follows: the still unsettled status of the former authorized representative of the Republic of Slovenia in Vienna, Karl Smolle, and his subordinates, and the fact that Peterle is preparing his visit to the United States again while bypassing the Foreign Ministry and the Slovene representation in the United States (also bypassing Dr. Petric), and only through his "Professor Bader."

The background of the dispute in the Smolle affair is as follows: A week ago, it was agreed at a meeting among Peterle, Rupel, and Sinkovic that Smolle would be proposed as honorary consul in Celovec, that both of Smolle's secretaries would be employed in the new embassy in Vienna, and that the problem of a job for Smolle's deputy Sommeregger would be settled. According to Rupel's statement today, the Foreign Ministry fulfilled the agreement, except that Rupel has not settled Sommeregger's status, because he does not consent to Peterle's coercion, phrased as "if they do not find a job for him, I will not allow the embassy to be opened." Rupel even says that Smolle hired Sommeregger himself, and that settling his status is not the Foreign Ministry's responsibility. Peterle, however, is even supposed to have asked Smolle whether he would even be satisfied with the status of honorary consul in Celovec. Only if Smolle is satisfied will the "government eliminate" and settle his status, and thus open the new embassy in Vienna. Peterle also said that Rupel had simply not fulfilled his part of the bargain, and that until he did, Peterle would not allow the status of the new embassy to be settled.

Another dispute broke out this evening, when Rupel was called by the Slovene representative to the United States, Dr. Ernest Petric, who was quite angry, and informed Rupel that he had been notified by the State Department that Peterle's new visit to the United States was being handled by "some Mr. Bader," who had already prepared Lojze Peterle's September visit to the United States, and that he was completely bypassing Petric in doing this. The latter told Rupel that he would resign if this parallelism continued. Rupel answered him, "Me, too." It is possible, Rupel says, that Bader is doing some things completely on his own, but in this regard he also

warned Peterle—indirectly—that he should observe the law on foreign affairs and act as the Assembly's commission has already told him to on several occasions. At the press conference, Peterle said that he did not know anything about this dispute and that he would speak when he received information from the commission's meeting and after he had heard what Rupel had to say. Thus, the Assembly's commission on international relations supported the Foreign Ministry in regard to both Smolle and Bader, and adopted the decision that foreign policy activity had to proceed through the Foreign Ministry; it proposed that all three chambers of the Assembly discuss this lack of coordination if matters were not settled during February.

A third cause of Rupel's dissatisfaction is the complete monetary drought in his ministry, since it does not have the funds to open a single embassy, and it is not even clear when the first Slovene ambassador will be able to begin his service. Our international position is in danger, along with what we have striven for over the past two years, he said, in connection with the complete paralysis in the creation of a professional diplomatic network. [passage omitted]

**Minorities, Ethnic Groups in Macedonian Military**

92BA0460A *Skopje NOVA MAKEDONIJA*  
in Macedonian 28 Jan 92 p 2

[Article by Major Biljana Vankovska-Cvetkovska: "Integration of Minorities and Ethnic Groups"]

[Text] The stability of the political system and the elimination of interethnic conflicts and mistrust will be assured, among other things, if the Republic of Macedonia is able to attain an efficient defense level.

In matters of defense, it is particularly necessary to take into consideration the possibilities for the integration of national minorities and ethnic groups within the defense system and, particularly, in the armed structures. The success of such integration is directly correlated to the extent of development of the feeling of affiliation and loyalty for the state by the members of these groups. From the international-legal aspect, it is unquestionable that, in addition to the stipulated and guaranteed rights of minorities, one of their basic obligations is to be loyal to the state in which they live. Particular problems may arise should the minority feel alienated from the state (if the latter does not respect its internationally recognized and guaranteed rights) or if an awareness of natural affiliation with another ("mother") state is systematically developed and encouraged within that minority, or, again, if that other state shows public interest in such actions. Usually, such situations lead to a strengthening of separatist trends, which turns into a serious problem in terms of maintaining a stable order in the state as well as its defense capability.

### Ethnic Structure of the Armed Forces

In the Republic of Macedonia, we start with the concept of establishing a rational foundation for the loyalty of the members of national minorities, fully acknowledging their rights and providing them with real opportunities for truly fitting into all areas of society. The suppression of separatist trends is rejected not only because it is incompatible with democracy but also because of the awareness that it could also become counterproductive and simply lead to a strengthening of national (or nationalistic) feelings, which, thus maintained in an explosive state, cannot be a guarantee for lasting peace and stability.

That is why, from the viewpoint of the defense of the state as well as for the sake of democracy, the definition of separatism as an internal problem that must be resolved through domestic policy steps and not viewed as a threat to the state, the elimination of which is achieved by involving the defense forces, is of great importance. The involvement of such forces could become necessary only in the case of a combination of these internal with external forces, the result of which may be a threat to the Republic from the outside.

All such problems become particularly grave and substantially affect the development of the Macedonian armed forces from the viewpoint of their ethnic structure. Although, in principle, all governments try to view their armed forces as a national institution, it is rare for a military organization to be a true reflection of the ethnic complexity of the society. Scientists believe that ethnicity is not a fixed dimension and that the holders of political power should not consider it as passive or as a natural (objective) environment but, conversely, shape and influence it. We are familiar with cases in which, making use of alleged "objective" and impartial criteria (linguistic affiliation, truth, nutrition, education, and so forth) within the army, result in a situation in which it becomes possible for one ethnic group to dominate its noncommissioned cadre. In multiethnic countries, it is very damaging and even dangerous to accept the belief that the army "belongs" to one ethnic community or another and not to the entire population, to all citizens. This could lead to drastically undermining the legitimacy of the state power itself. On the other hand, as an institution that does, in fact, include people of different ethnic and national composition, the army cannot take the risk of being considered a place for or a means of encouraging some of those ethnic groups.

### Elimination of Discrimination

A characteristic feature of governmental regimes that feel insecure because of their ethnic variety is that they take steps to segregate, on the basis of ethnicity, its enforcement organs (police and army), in the course of which the dominant group is ensured a priority at the expense of the others, which gradually become alienated from these authorities. In that case, the ethnic groups that are less well represented view this as yet another

proof of overall political and social discrimination or unfairness. Conversely, the larger and better supported group considers this as one of the quickest and most efficient ways of ensuring its further domination in the state.

Therefore, when the issue of the optimal way of resolving interethnic conflicts is raised and, particularly, that of eliminating separatist (or secessionist) trends, great attention must be paid to the police and the army not only as instruments of policy but also as potential causes of problems in this area. The careful resolution of this sensitive problem in the structuring of the armed forces of the Republic of Macedonia must not be neglected. This will require great political wisdom if we are to avoid finding ourselves between Scylla and Charybdis. In other words, this means the impossibility of any type of discrimination in the military organization (and, in broader terms, in the defense system) on the basis of ethnic grounds and respect for the citizens' constitutionally guaranteed right to defend their land, as well as the effective elimination of any eventual weaknesses within the defense system on grounds of disturbed interethnic relations.

These are urgent issues that must be properly resolved from the very establishment of the new Macedonian army. The stability of the political system and the elimination of interethnic conflicts and mistrust can be achieved, among other things, if the Republic of Macedonia is able to attain a level of efficient defense not only of the state or of those who, at any given time, represent it, but also of every citizen and every ethnic group within the state. In turn, the members of such groups, by promoting the development of a single defense system within the Republic, would display and prove their moral, political, and, above all, human attitude toward our single fatherland—the Republic of Macedonia.

### Tripartite Talks on Social Contract Begin

92BA0459B *Ljubljana DELO in Slovene* 21 Jan 92 p 3

[Article by Bozna Kriznik and Jelena Gacesa: "The Government, the Chamber of Commerce, and the Trade Unions Have Begun Negotiations on the Social Contract"—first paragraph is *DELO* introduction]

[Text] France Tomsic thought that the government should retract the law on wages and back off from its demands for reducing wages; the trade unions also criticize the government for proposing an excessively low base price for labor.

Ljubljana, 20 Jan—The partners that will participate in the negotiations on a social pact met today at the same table for the first time. In addition to the chairman, Prime Minister Lojze Peterle, the participants were the key government ministers, representatives of the GZ [Chamber of Commerce], and numerous trade unions. The trade unions did not participate in the recently convened meeting with both partners, because the government, in their opinion, had adopted the fundamental

positions on the social pact without asking numerous trade unions for their opinion, and without giving them enough time to coordinate their own positions.

France Tomsic, the president of Neodvisnost [Independence], thought that the government had to offer something more than just measures in the area of prices and wages to stabilize the situation in the area of the economy. He advocated an active employment policy, and passage as soon as possible of the privatization law, which would contribute to the promotion of a market economy. The government should back off from its demands for reducing wages and withdraw the law on wages, he also added. In connection with Peterle's comment that as the prime minister he could not receive representatives of trade unions for talks, since there are now already more than 30 such unions in Slovenia—"if I invite one, then I also have to invite the others," Peterle said—Dusan Semolic, the president of the ZSSS [Federation of Free Trade Unions of Slovenia], commented that political wisdom dictated talking and listening, and trying to prove different opinions. He thought that a condition for talks on a social pact was a stabilization program, which we still do not have. There are still many unknowns: we have not adopted a budget or an economic and social program, and we do not know what bankruptcy policy will be like, how we will curb monopolists, etc.

Leo Frelih, the president of the Cooperative Federation, supported the tripartite consultations. He said that farmers were interested in higher personal incomes, since in the end those also reflected a good agricultural policy. The Cooperative Federation, however, does not support a social partnership through low prices for everyone; instead, it is necessary to prepare a comprehensive social program. Farmers, he asserted, already had 80 percent of their costs recognized, and were consequently proposing that the Slovene government should provide compensation as soon as possible for the drop in the financing of basic agricultural production. The starting points for the negotiations should include relationships for distribution among production, processing, and trade. They advocate the elimination of import regulations that build up production prices.

Dagmar Suster, in considering who should take part in the negotiations, said that it would not be good to wait until we also get an employers' association. Even in the West European states where they have such associations, the Chamber of Commerce participates in a social partnership.

A lively discussion broke out over the issue of whether to repeal the law on wages and give more weight to collective contracts. The trade unions are in favor of eliminating the law on freezing wages, since they are attempting to prove through numerous figures that the law has given rise to unfair differences in the payment of personal incomes, when about one-fifth of Slovenes, who are in a monopolistic position, live magnificently on the basis of inflation, while 113,000 workers are receiving

9,000 tolars in net wages, and the guaranteed personal income amounts to a paltry 6,000 tolars. They also cited the fact that in October, when wages were frozen, the average wage in the economy was 21,000 tolars; it had risen to 27,000 in the electrical industry and 35,000 in the PTT [postal, telephone, and telegraph] service; it amounted to 39,000 in Petrol, and 40,000 in insurance companies. Labor Minister Jozica Puhar wondered about the sense in repealing the law on wages and leaving the setting of wages just to collective contracts, since, in her opinion, the differences among wages would increase even more because of this; there would be an increase in the proportion of employees who would not be able to afford an increase in wages, but the state does not have enough money to subsidize them. It is necessary to annul the freeze on high wages and reach an agreement on paying what is possible, although the trade unions claim that in the social agreement the government has proposed too low a base price for labor. She also agreed that it would be necessary to bring personal incomes in Slovenia closer together, since people in the noneconomic sector are also complaining that they are lagging considerably behind wages in the economy and that the gap is opening up even more. It is intolerable that we now have three different base wages: according to a collective contract for the economy, according to a collective contract for the noneconomic sector, and according to a decree that regulates the payment of the personal incomes of employees in the state administration.

The position of the Slovene Chamber of Commerce was explained by the Chamber's vice president, Dagmar Suster. He thought that the partners first of all had to agree on economic policy in general, and that it was difficult to adopt a social pact talking about prices and wages if any of the partners did not agree with the proposed economic policy (the GZ, as we know, has different views on it than the government). In Suster's opinion, the government should come forward with an appropriate monetary policy, and in particular it should immediately make a radical reduction in public spending. The Chamber is predicting that the social pact will fail if the government insists on the planned volume of public spending. Inflation is undoubtedly a great burden for the economy, but in his opinion one cannot expect single-digit inflation in January and even zero inflation in three months, as some people are predicting. The biggest difficulty is elsewhere: Last December we produced 32 percent less than in December the year before. If we hurry and begin with the causes of inflation, we will surmount the crisis. A national consensus is necessary for this (among all the political parties as well), and the Chamber is offering this idea, thinking that it is not competing with the government's idea.

#### Montenegrin Prime Minister Comments on Republic

92BA0403B Titograd *POBJEDA* in Serbo-Croatian  
15 Jan 92 p 5

[Article by B.N.: "Milo Bukanovic, President of the Republic Government, to CONTACT Magazine of

Montenegro TV: Prepared for Surprises"—first paragraph is POBJEDA headline]

[Text] The Government of Montenegro, back during the course of last year, because of the absence of a macroeconomic policy in the country, assumed part of the functions of the federal organs, preparing itself for conditions under which it is possible to carry out this policy at the level of the Republic. Evident slowdowns in the foreign exchange sector, housing reform, informational activity, and the efficiency of the judiciary.

Titograd, 15 Jan—Participating with the CONTACT magazine of Montenegro Television, the president of the Republic government, Milo Bukanovic, summarized the work up to now and the results that the government has achieved in its activities, giving special emphasis to the implementation of his program under the kind of conditions that have prevailed in Montenegro, but also under those that the broader environment dictated. Bukanovic particularly commented on the direction of programs in the self-governing of Montenegro, on the opportunities for development which, as he pointed out, has had to be delayed because there has been no capital, then relations with the federation, foreign debt, foreign policy. He emphasized here that foreign debt, which is about 53 billion smaller at the end of 1992 [as published] than at the end of 1990, and now amounts to 460 million dollars, has been duly serviced, with a trend towards further reduction.

Replying to the questions of the moderator, Bukanovic next set forth his views of possible, unfulfilled intentions from the program implementation. He first expressed dissatisfaction with the situation in the foreign exchange sector. He sees part of the reason in objective circumstances, and on all bases, except for part of the services in maritime transportation, the foreign exchange inflow into Montenegro has been a disappointment. In addition, we are moving a little slowly in the sector of housing reform. Next, we cannot be satisfied with the quality of informational activity that we have in the Republic, he added, and he expressed dissatisfaction with what has been achieved in the judiciary.

#### A Certain Overhaul in Banking

Bukanovic then explained new opportunities that have been created for the overhaul of "Montenegrubanka."

There has existed for some time a decision by the Council of the Agency for the Overhaul of Banks and the Council of Governors that the initiation of an overhaul in six parts of "Montenegrubanka" is justified. In the meantime a one-year vacuum has occurred because of a lack of resources or because of the unplanned expenditure of funds earmarked for that purpose. However, the decision has been reactualized and has now been operationalized for the beginning of an overhaul of the Niksic bank and affiliates outside the city. Briefly, a financial base of about 1.2 billion dinars has been created, the process of separating these affiliates from the "Montenegrubanka" system has been completed, the approval of a

decision at the Council of Governors on the formation of these banks is expected on Tuesday, and then it is up to us to react with adequate personnel solutions and begin a quality overhaul of these two affiliates. After this activity in the overhaul of the other four affiliates will continue.

There was also strong interest on last night's broadcast in problems connected with tourism. One of the questions related to Montenegro's ability to compensate for a planned 145 million dollars from tourism.

Not only has the foreign exchange inflow from tourism and hotel/restaurant services lagged, replied Bukanovic at the beginning. The expected income based on exports of goods has also lagged, and the deficit in this sector is estimated at about 30 million dollars. According to some current indicators, 5 to 6 percent, based on financial records, of foreign exchange income from tourism will be realized. It is difficult to speak about the possibility of compensation in any manner. Because, due to the overall milieu, other channels of foreign exchange income are not materializing either. However, we are left with the expectation that when we put in order those things that we could have put in order without the assistance of our foreign neighbors, therefore, the overhaul of the economy, enterprises, banks, and if the war conditions in Yugoslavia settle down, we achieve more intensive communication both in the goods sector and the sector of services with neighboring countries throughout 1992 and coming years, we will compensate for the lost foreign exchange income in this manner.

To a question about tax policy and the decision of the Constitutional Court of Yugoslavia to repeal the Government Decree for Taxes on Weekend Cottages, Bukanovic replied:

#### Tax—Obligatory

"I don't know whether the Constitutional Court has now formally altered the decision. I know that it had initiated a procedure of checking on this decree. However, I am convinced, on the basis of the experiences in many developed countries, that paying taxes on property is quite correct and quite fair. Actually, we have already eliminated this decree with new decisions in the tax system, but we have introduced, under a new law, the institution of taxes on property which, within the framework of total property, also taxes weekend cottages."

Nevertheless, as far as the Law on Taxes on Enterprise Income is concerned, where a rate of 35 percent has been accepted, a question was directed at the possible destimulation of such a regulation. Bukanovic explained that they did not arrive at that rate of 35 percent on earned income accidentally. We combined this, he explained, with both developed countries of the West and with those that are at about the same level of development. Almost without exception, the tax rate is much higher than with us—from 37 to 55 percent. Thus our rate is not destimulative and is not a problem, said Bukanovic. However, one must look at the other side—what that

rate is applied to, to what degree we have actually created, with this law, the assumptions for the costs of an enterprise that is doing business to be realistically taken into consideration. I think that we have found good solutions here too, because on the whole we have figured personal incomes into the cost of operating, we have foreseen an accelerated rate of amortization, assured that every portion of income that is reinvested is exempt from taxes.

**[Box, p 5]**

**Alternative System**

Businessmen in Montenegro have requested the government to implement a program of economic policy measures in 1992. What has been done with this plan interested the moderator, with the comment that there is information about the initiation of an alternative economic system.

The program is primarily in a narrow part of a decree of Montenegro about what kind of national society one will live in, and it is up to the government to provide for the functioning of the system in some transitional period and to encompass all possible steps toward those decisions that will follow in the resolution of this national-political enigma in Montenegro and Yugoslavia. Recalling that they did not agree throughout 1991 on an offered macroeconomic policy at the level of Yugoslavia, about which can now be said that it didn't even exist, Bukanovic reported that they assumed a part of the functions of the federal organs last year and, on the other hand, slowly designed an alternative system in Montenegro, preparing themselves for conditions under which it will be possible to carry out a macroeconomic policy at the level of the Republic. This has been done first of all by attending to public consumption, and also in the area of ownership restructuring, and this is completely autonomous in relation to what has been done in the Yugoslav plan. It is up to this government to continue such activity. We will not prejudice decisions on what kind of society Montenegro will live in, but we are creating solutions, so that no one will find us unprepared. If it happens that a federal state or an alliance of states is not provided for, we will be prepared to make possible the functioning of an economic and financial system in Montenegro.

**[Box, p 5]**

**Duty-Free Zone**

Will one of the next steps of the government be the establishment of a duty-free zone in Montenegro?

That is a very serious plan, for which we can seek models in Europe and throughout the world, the president of the government said. We have obtained certain documentation that can serve us as a model. I wouldn't want to make promises easily now, because that is a very complex question and must be viewed from all sides before such a decision is made.

**[Box, p 5]**

**Debts**

How many Montenegrin enterprises are making claims of the Serbian economy and vice versa?

It is difficult for me to state those figures exactly. In analyzing this about six months ago, emphasized Bukanovic, we came to the paradoxical realization that, in relation to all the other republics, Montenegro is a creditor and not a debtor. Therefore, their obligations to us are greater than ours to them. As a result of this, a decision followed that the government made whereby it put payments exchanges with all republics under its control. This was really only a reaction to decisions made in the other republics, since they had already stopped payments to Montenegro. Now these balances have been ironed out. According to some of my findings of a month ago, I think that Montenegro, viewed generally, is indebted to Serbia. This is also the relationship with the Republic of Croatia.

**Serbian Church Supports Ultranationalism**

92BA0454A *Ljubljana DNEVNIK* in Slovene 24 Jan 92  
p 11

[Article by Maroje Mihovilovic: "Serbia: The Church Has Turned Its Back"—first paragraph is *DNEVNIK* introduction]

[Text] The Serbian Orthodox Church is also trying to be an arbiter in political issues; Milosevic has acquired a new enemy, and the bloc of the opponents of the Vance plan has been strengthened.

The Serbian Orthodox Church, which was one of the main allies of the regime of Serbian leader Slobodan Milosevic, at this decisive time, "in this general Serbian disaster," as Serbian Patriarch Pavle characterized the present time, has turned its back on Milosevic and has taken the side of those extreme nationalistic forces which oppose Cyrus Vance's peace plan, and demand a continued struggle for the achievement of a Greater Serbia.

A few days ago there was a synod of the Serbian Orthodox Church in Belgrade, a large gathering of Church dignitaries, at which there were also many lay representatives; the synod was also visited separately and secretly by Serbian President Slobodan Milosevic and Knin leader Milan Babic. Over the centuries, the Serbian Church has always been more strongly tied to the people's political and national life than the Catholic or any other church in the West. This link between the Church and the life of the people has been particularly strong among the Serbs, since for long centuries, from the 15th to the 19th century, they did not have a state of their own.

This lack of a state was compensated for by the Orthodox Church, which handled numerous parastatal functions for the Serbian population in the Turkish empire

through its own organization, the Pec Patriarchate. Because of that historical role of the Church, and its general significance at the present time, what it thinks is very important. This is also the reason for the attention with which the document published by the Church dignitaries at the end of the gathering was analyzed.

The document is called a "Message From the Synod of the Serbian Orthodox Church to the Serbian People and the International Public." It says that "a terrible period of Serbian history" has begun, and then come the well-known phrases about "the tragic fate of the Serbian people and the casualties that it suffered in order to be considered a victor after both World Wars." In spite of this, "it has remained politically fragmented and divided in unnatural borders drawn by the communist international, and implemented by the neofascist and Ustasa occupation. They were confirmed and extended by Tito's communist dictatorship."

"The Serbian Orthodox Church has never acknowledged the artificial and illegitimate AVNOJ [Anti-Fascist Council for the National Liberation of Yugoslavia] internal borders." With respect to the present Serbian leadership, the Church dignitaries say the following: "The Serbian Church and a majority of the Serbian people have never been adherents of godless communism in any version, nor of its godless spiritually, morally, and nationally watered-down branches. The people, which has never served any totalitarian ideology, is not understood in Europe, and is identified with its former executioners; today it also feels manipulated by some of its traditional allies in the EC and Europe in general. Its trust in the leadership of Serbia and the Presidency of Yugoslavia, and especially in the leadership of the Yugoslav Army, has been seriously shaken."

The Orthodox Church will therefore protect the Serbian people in all the areas where it has already been living for centuries. There follows a passage that explicitly denies

Slobodan Milosevic's right to accept Vance's peace plan: "No treaties with those holding power in Serbia who do not have a mandate to act in the name of all Serbdom, or with the bodies of the Yugoslav federation or the army, are binding upon the Serbian people as a whole. The Serbian Orthodox Church advocates a just solution to the Yugoslav crisis, and consequently supports the efforts of the UN to stop the war and the bloodshed and to establish a lasting peace in the Serbian Krajinas. The arrival of the peacekeeping forces is not in dispute, but they must not be misused to prejudice political and state-legal issues. Their role should be separating the warring sides along the front."

TANJUG and Serbian television reported very little on the Church synod, and even less on Milosevic's secret visit. Some Belgrade newspapers, however, published more extensive reports on the Church's behind-the-scenes diplomacy and about the priests' failure to harmonize the Serbian leadership's positions with those of the leaders of the Serbian Krajinas with respect to the Vance plan. It is obvious that because of international pressures and the military defeat, Milosevic determined that he could no longer preserve his former Greater-Serbian political orientations and that he had to try to protect the remains of his policy with the concept of a federal mini-Yugoslavia.

With this synod, and with the document that was published, the Church has clearly demonstrated that it will try to play the role of an arbiter in political issues as well. Milosevic has thus acquired a new enemy, and the bloc of the opponents of Vance's plan has now been strengthened; a few days ago it was also joined by the opposition Democratic Party. Its leader, Dragoslav Micunovic, has met with Babic and Karadzic. Thus, in these "most dramatic and most difficult times for several generations of Serbs," as Foreign Minister Jovanovic described them, the Serbian schism is becoming increasingly deeper, and in that situation the Church's prestige, of course, is growing.

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